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Use of non-staff personnel and related contractual modalities in the United Nations system organizations

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled, "Use of non-staff personnel and related contractual modalities in the United Nations system organizations".

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JIU/REP/2014/8

USE OF NON-STAFF PERSONNEL AND RELATED CONTRACTUAL MODALITIES IN THE UNITED NATIONS SYSTEM ORGANIZATIONS

Country case studies:
Democratic Republic of the Congo, Haiti and India

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EXECUTIVE SUMMARY

Use of non-staff personnel and related contractual modalities in the United Nations system organizations JIU/REP/2014/8

The objective of the present report is to provide an assessment from a system-wide perspective of the use of non-staff personnel, including relevant policies, regulations, contractual practices and associated managerial processes in the United Nations system organizations, with a special emphasis on field office practices. It includes quantitative and qualitative information, trends on the use of non-staff personnel and a comparative analysis of current organizational policies and practices.

Main findings and conclusions

The level of use of non-staff in the organizations varies. However, it reaches high levels in large programme- and project-oriented organizations. Overall, a significant number of personnel of United Nations system organizations (around 45 per cent of the total workforce) are working under non-staff contracts. Many of them are working for extended periods under a de facto employment relationship, like staff. This is due to the relative flexibility and lower cost implications of non-staff contracts compared with staff contracts. As a result, a new category of personnel is being created as a significant part of the total workforce, performing all kinds of functions, including administrative, managerial, technical and particularly project-related work.

The findings reflect that the current system of hiring non-staff is inconsistent with international good labour practices, operates without real oversight and accountability and presents risks for the organizations. Furthermore, the findings indicate a lack of congruence between the values of justice and fairness held by the United Nations system organizations and their practice of differential treatment without a clear basis for those differences.

The Inspectors noted that the United Nations system organizations did not have detailed analytical data on the use of non-staff, and in particular on the profile and cost of the non-staff workforce, the proportion of non-staff in the total workforce, the breakdown of costs by location and contractual modalities. This was not conducive to effective decision-making and monitoring. Indeed, oversight of the use of non-staff was inadequate at both the senior management and the legislative/governing body levels.

There are no overarching criteria and system-wide framework for the use of non-staff personnel and related contractual modalities. As a result, organizations have developed their individual policies and contractual modalities in a fragmented way, ending up with significantly different policies and contractual modalities. Furthermore, the administration of non-staff personnel is uneven owing to weak internal control and insufficient support and oversight provided by relevant headquarters departments/units. The review found that organizations faced reputational risks, high turnover, a lack of stable and motivated personnel and a potential increase in legal challenges owing to the inappropriate use of non-staff personnel. Furthermore, although organizations have a significant level of non-staff working for extended periods in a de facto employer-employee relationship, non-staff have no effective representation in staff associations or access to internal justice mechanisms.

The current situation is that United Nations system organizations have a dual workforce: one with full rights and entitlements and another with no or limited entitlements, working in the same organization. This is in line with neither international labour principles nor the values promoted by the United Nations. While United Nations system officials have acknowledged that the present significant use of non-staff is not a good practice, they put forward two important reasons for the use of non-staff contracts instead of staff contracts: lower cost and greater flexibility. The Inspectors would like to clarify that United Nations system organizations should not assume that the need for practical solutions overrides the obligations of the organizations to practise what they preach and what good labour practices require.

Therefore, the Inspectors suggest that each organization concerned undertake an analysis of its own situation regarding the long-term use of non-staff and prepare a plan (short- to medium-term) to terminate this practice. Such a plan should provide an assessment of the financial resources required for its implementation. It should include an analysis of the existing use of non-staff personnel and related policies in the light of internationally accepted labour principles. The plan should also include an analysis of the level of use of non-staff; the functions and locations of long-serving non-staff personnel; the expected duration of their functions; and the measures to be taken to address the issue, for example, the use of the correct type of staff contract for long-serving non-staff, and allowing existing long-serving non-staff to apply for vacant staff positions as internal candidates.

Organizations should present that analysis, together with relevant financial resource and strategic decision requirements, to their respective governing bodies. Governing bodies should consider providing the necessary support, including commensurate financial resources, to solve the problem for the benefit of the organizations.

For the broader total cost concerns, organizations need to take a holistic approach by looking at their entire sourcing strategy, instead of palliative and inappropriate methods. In this context, for instance, they can define which services at headquarters can be kept in-house, offshored or outsourced, taking into account their corporate strategy and overarching United Nations values. They can also define their core and continuous functions and their needs for limited-duration programmes and projects. If organizations consider that existing staff contract modalities do not fully serve their operational needs, they should work together with the International Civil Service Commission (ICSC) to address those problems properly. In particular, they may discuss flexibility needs for such programmes and projects.

While contract modalities and staff entitlements are harmonized through ICSC, contract modalities, entitlements and conditions of non-staff personnel are inconsistent and fragmented across the system. Taking into consideration the findings of the report, the harmonization of non-staff policies and practices should be the subject of a comprehensive study by the High-level Committee on Management (HLCM) of the United Nations System Chief Executives Board for Coordination (CEB), covering all aspects of the use of non-staff personnel with a view to enabling organizations to provide the same or similar contracts and entitlements, in line with international labour principles.

The report contains 13 recommendations: 1 addressed to the Secretary-General as the Chair of the United Nations System Chief Executives Board for Coordination, 1 for the consideration of legislative/governing bodies and 11 addressed to executive heads of the United Nations system organizations.

Recommendations

Recommendation 1
The executive heads of the United Nations system organizations should revise their non-staff policies, including the definition of non-staff and the criteria for the use of non-staff personnel, by using the employment relationship principle in accordance with relevant labour recommendations of the International Labour Organization.

Recommendation 2
The legislative/governing bodies of the United Nations system organizations should systematically exercise their oversight functions on the use of non-staff personnel through regular reviews of non-staff personnel information/data provided by the respective executive heads.

Recommendation 3
The executive heads of the United Nations system organizations should review the use of non-staff personnel with a view to identifying long-serving non-staff personnel under a de facto employment relationship and establish a plan (short- to medium-term) to terminate the inappropriate prolonged use of non-staff personnel. The plan, including resources required, should be presented to the legislative/governing bodies for endorsement and provision of the necessary financial support.

Recommendation 4
The executive heads of the United Nations system organizations should strengthen their internal monitoring, control and oversight of the use of non-staff personnel, through the sustained application of effective internal control mechanisms, systematic corporate monitoring and information/data collection, analysis and audits. They should ensure that a central department/unit at the corporate level is held responsible for global monitoring, analysis and reporting on the issue.

Recommendation 5
The executive heads of the United Nations system organizations should ensure periodic analytical reporting both internally (to senior management) and externally (to the respective governing body) on the use of non-staff personnel in their organizations. Such reports should include detailed data and analysis on the use of non-staff, including the number of non-staff and associated expenditure, their weight in the total workforce, the breakdown of contractual modalities and the areas and locations used, the developing trends and the potential risks and corresponding measures.

Recommendation 6
The executive heads of the United Nations system organizations should ensure that updated and consolidated practical guidelines on the use of non-staff personnel are in place to guide managers involved in decision-making on the use of non-staff contractual modalities.

Recommendation 7
The executive heads of the United Nations system organizations should ensure that individuals working for the organization under third-party/outsourcing contracts have decent working conditions, including a fair salary and social benefits and entitlements.

Recommendation 8
The executive heads of the United Nations system organizations should ensure that the gender balance policy and related measures include non-staff personnel, including United Nations Volunteers (UNVs). Gender balance in non-staff personnel recruitment should be promoted and monitored as part of the overall gender equality policy.

Recommendation 9
The executive heads of the United Nations system organizations should allow long-serving non-staff (including UNVs) to apply as internal candidates for vacant staff positions, with a view to ensuring fairness and providing a measure to reduce long-serving non-staff in the organizations.

Recommendation 10
The executive heads of the United Nations system organizations should ensure that there is a clear, fair and rational mechanism for the determination and adjustment of remuneration levels of non-staff personnel, particularly in respect of long-serving non-staff.

Recommendation 11
The executive heads of the United Nations system organizations should ensure that long-serving non-staff personnel (including UNVs) have access to appropriate formal internal justice mechanisms. To that end, the executive heads should consider allowing them access to existing mechanisms or establish another practical system for their use.

Recommendation 12
The executive heads of the United Nations system organizations, as a matter of priority, should ensure and formalize the access of non-staff personnel (including UNVs) to mediation, the ethics office, the office of the ombudsman and other informal conflict-resolution mechanisms, and ensure that such personnel have recourse to the policies on the prevention of harassment and whistle-blowing. Furthermore, non-staff should be informed of those rights.

Recommendation 13
The Secretary-General, as the Chair of the United Nations System Chief Executives Board for Coordination, should initiate the harmonization of non-staff policies and practices across the system, including the criteria/principles in the use of non-staff, the preparation of a non-staff common contractual modality, remuneration methodology and entitlements. To that end, a working group can be established under the High-level Committee on Management.

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ABBREVIATIONS

CEB	United Nations System Chief Executives Board for Coordination
ECA	Economic Commission for Africa
ERP	Enterprise resource planning
ESCAP	Economic and Social Commission for Asia and the Pacific
FAO	Food and Agriculture Organization of the United Nations
HLCM	High-Level Committee on Management of the United Nations System Chief Executives Board for Coordination
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Authority
ICSC	International Civil Service Commission
ILO	International Labour Organization
IMO	International Maritime Organization
ITC	International Trade Centre
ITU	International Telecommunication Union
JIU	Joint Inspection Unit
MINUSTAH	United Nations Stabilization Mission in Haiti
MONUSCO	United Nations Organization Stabilization Mission in the Democratic Republic of the Congo
NGO	non-governmental organization
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCITRAL	United Nations Commission on International Trade Law
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNOPS	United Nations Office for Project Services
UNV	United Nations Volunteers
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNWTO	United Nations World Tourism Organization
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

I. INTRODUCTION

Objective

1. As part of its programme of work, the Joint Inspection Unit (JIU) conducted a review of the use of non-staff personnel and related contractual modalities in the United Nations system organizations, with special emphasis on field office practices. The review had been suggested by the United Nations Secretariat (specifically the United Nations Stabilization Mission in Haiti (MINUSTAH)).

2. The review provides an assessment from a system-wide perspective of the use of non-staff personnel, including relevant policies, regulations, contractual practices and associated managerial processes in the United Nations system organizations. It includes quantitative and qualitative information on the use of non-staff personnel; a comparative analysis of current organizational policies and practices; and evolutionary trends of non-staff categories within the total workforce of the JIU participating organizations.

3. It further maps the different types of non-staff contracts and relevant polices, regulations and rules available within the system, including titles and definitions applied to non-staff personnel; selection criteria for relevant contracts; and recruitment processes, remuneration levels, limitations on the duration of contracts and entitlements provided (for example, health insurance, paid leave and other fringe benefits). It also attempts to capture how policies are implemented and the main challenges currently faced by organizations, including the degree of consistency and harmonization at the field level of non-staff policies and practices.

4. The review seeks to provide answers to the following questions:

- What is the current volume of non-staff and what are the recent trends in their use? What is the weight of non-staff in the overall workforce of the organizations?
- What are the types/categories of non-staff contracts and their main characteristics?
- What is the definition of "non-staff"? Is there a shared understanding of "non-staff" by the organizations?
- What are the policies/strategies for the use of non-staff and related contractual modalities? Are these policies clear, adequate and in accordance with international good labour practices?
- Are there criteria for the use of non-staff concerning the areas/tasks where they can/cannot be used? Is there a clear and rational distinction between staff and non-staff tasks/work?
- What are the main reasons and the most common areas/work for the use of non-staff in practice?
- Are major elements of contracts (such as definition, duration, limitations and entitlements) clear, consistent, rational and adequate? Are there sufficient policies, guidelines and tools for managing non-staff contracts?
- Is the implementation of existing policy and procedures enforced, monitored and reported? Is the hiring process for non-staff clear, objective, fair and efficient?
- What are the main challenges faced by organizations in the use of non-staff?
- Are non-staff personnel used for long-term, core functions and staff tasks? If so, why and to what extent?
- Is there system-wide coherence and consistency in non-staff policy and practices?
- What are the risks and opportunities associated with the use of non-staff categories by the organizations? Are the risks assessed and related mitigating measures introduced properly?

Scope

5. The scope of the present report is system-wide and covers all participating organizations, the United Nations and its funds and programmes, specialized agencies and the International Atomic Energy Agency (IAEA), with special emphasis on the use of non-staff personnel in field locations, including peacekeeping operations. It should be noted that the present review deals mainly with individuals who provide services based on a direct contractual relationship with an organization of the United Nations system, rather than individuals who provide services through a third party, sometimes referred to as "institutional contractors" or outsourcing of services. However, it may refer to some outsourcing practices given that, in some cases, they are a direct alternative to the use of non-staff personnel. Elected officials, non-paid personnel and interns, also considered non-staff personnel, are not part of the review. United Nations Volunteers (UNVs) form a separate category established through a General Assembly resolution to deploy United Nations Volunteers. However, they are not counted as staff, and so are examined separately in the review. If UNVs are not specifically mentioned, recommendations are not applicable to them.

6. To review a representative sample of the different uses of non-staff personnel across the system, the Inspectors carried out missions to selected field locations in different regions. Interviews were held with different entities of the United Nations system with very different mandates and needs, including two regional commissions (the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Economic Commission for Africa (ECA)); two peacekeeping operations (the United Nations Stabilization Mission in Haiti (MINUSTAH) and the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO)); one "Delivering as one" country (Viet Nam); and India. At each location, interviews were held with officials and non-staff in as many United Nations entities as possible, in particular with those that made a significant use of non-staff personnel.

Methodology

7. In accordance with the internal standards and guidelines of JIU and its internal working procedures, the methodology followed in preparing this report included a preliminary review of documentation, including previous relevant reports of JIU;[1] an analysis of relevant available policy documents, internal reports and documents submitted to governing bodies; the preparation of corporate and field questionnaires; field missions and interviews; a non-staff personnel online survey; and an in-depth comparative analysis of each of those elements. Detailed questionnaires were sent to all participating organizations and to entities that were present in the field locations visited. On the basis of the responses received, interviews were conducted in selected field locations and at United Nations Headquarters.

8. In order to include different perspectives on the issue, the Inspectors interviewed the various relevant stakeholders, including human resources management officials and groups of hiring managers, and held focus-group meetings with non-staff personnel and with staff representatives. In an effort to gather the views, perceptions and opinions of a wider sample of non-staff personnel, the online non-staff personnel survey was launched in all countries visited, namely, the Democratic Republic of the Congo, Ethiopia, Haiti, India, Thailand and Viet Nam, to which 2,151 non-staff personnel holding different types of non-staff contracts responded, providing useful information and insight for the study. Field missions took place during the second half of 2013, and the online survey was launched in each country subsequent to missions. Thus, the findings of the report were established through a rigorous triangulation of various sources of information.

[1] In particular JIU/REP/2012/5, JIU/REP/2011/10 and JIU/REP/2012/10 (www.unjiu.org).

9. The present report includes a summary of findings, assessments and conclusions. During the review, six country-specific case studies were carried out. Three case studies are annexed to the report (those of the Democratic Republic of the Congo, Haiti and India), while the remaining three case studies (those of Ethiopia, Thailand and Viet Nam) and two attachments relating to non-staff policies and contract modalities in the United Nations system, have been uploaded to the JIU website (www.unjiu.org) as supplementary materials for the report.

10. Data collection proved to be challenging. In particular, figures relating to the number of non-staff individuals under different types of non-staff contracts need to be taken cautiously, given that not all organizations responded consistently to JIU requests for data. In addition, several organizations that did respond qualified their responses on several grounds, as discussed later in the review. In particular, many organizations could not provide expenditure data for non-staff personnel. The lack of relevant quantitative information and the lack of homogeneous system-wide data are major hurdles in providing a full quantitative picture of the use of non-staff across the system. However, the data collected is sufficient to establish the significant use of non-staff personnel and related issues and to draw up conclusions and recommendations.

11. Comments from participating organizations on the draft report were sought and taken into account, as appropriate, in finalizing the report. In accordance with article 11.2 of the JIU statute, the report was finalized after consultation among the Inspectors so as to test its conclusions and recommendations against the collective wisdom of the Unit.

12. To facilitate the handling of the report and the implementation of its recommendations and the monitoring thereof, annex V to the report contains a table indicating whether the report is submitted to the organizations concerned for action or for information. The table identifies those recommendations relevant for each organization, specifying whether they require a decision by its legislative or governing body or can be acted upon by its executive head.

13. The Inspectors wish to express their appreciation to all who assisted them in the preparation of the report and particularly to those who kindly provided support to the field missions, participated in the interviews and focus-group meetings and who willingly shared their knowledge and expertise.

II. GENERAL OVERVIEW: NON-STAFF PERSONNEL IN THE UNITED NATIONS SYSTEM

A. Lack of definition and overarching criteria for the use of non-staff personnel

Key finding: *There is no rational definition of non-staff personnel and no overarching criteria for their use at both the organizational and system-wide levels.*

14. There is no effective definition of the term "non-staff". Furthermore, there is no functional common definition of "staff" or "staff member" across organizations. According to the Staff Regulations of the United Nations (ST/SGB/2014/2) and the Staff Rules (ST/SGB/2014/1), "the expressions ... 'staff members' or 'staff' shall refer to all the staff members of the Secretariat, within the meaning of Article 97 of the Charter of the United Nations, whose employment and contractual relationship are defined by a letter of appointment subject to regulations promulgated by the General Assembly pursuant to Article 101, paragraph 1, of the Charter". All other persons engaged to provide services are considered "non-staff".

15. Table 1 below lists responses from selected organizations on the definition of "non-staff".

Table 1

Definition of "non-staff"

Organization	Definition of "non-staff"
FAO	No specific definition of "non-staff" personnel in the staff rules. Staff and non-staff are usually distinguished on the basis of the functions they undertake. Staff are employed to perform regular duties of a long-term/continuous nature; non-staff are recruited to perform specific temporary assignments, as detailed in their terms of reference. This description does not apply to projects where national project personnel perform the same functions as staff and sometimes also to consultants.
ITU	No definition. Short-term staff and regular staff are considered staff members. All other categories are considered non-staff.
UNDP	Non-staff personnel are defined as individuals who have a binding contractual arrangement with the organization for the provision of functions directly related to the execution of development projects and non-core services for a determined period and whose conditions of service are governed by the terms of their contracts only.
WFP	Non-staff personnel are governed by the terms of their employment contract and are not subject to the Staff Rules.

Source: Responses by organizations to the JIU questionnaire.

16. In the documents reviewed, no clear, labour-oriented definition of "non-staff" could be found. The term is broadly understood as applying to personnel having a direct contractual relationship with any organization of the United Nations system but who are not subject to its respective staff regulations and rules. That definition is not in line with prevailing labour principles and poses a risk of arbitrary use of non-staff personnel by organizations. Most of the organizations make reference in their respective policy documents, first, to the temporary nature of the services to be provided by non-staff (many organizations set a maximum accumulated duration, although that duration can extend to many years in some cases) and, second, to the nature of the functions to be performed, indicating that non-staff personnel are hired for non-core functions and/or when the required expertise is not available within

regular staff resources. Thus, organizations tried to differentiate "non-staff" from staff on the basis of functions, duties, skills and expertise required, in conjunction with the short/temporary duration for which the service would be required and the nature of the mandate to be executed.

17. The above broad provisions leave enough room for interpretation and implementation within individual organizations to hire and manage non-staff personnel. In fact, core and non-core functions have not been explicitly defined. Furthermore, the concept of non-staff personnel is a very broad one, comprising several categories in each organization. Organizations have developed different non-staff contractual arrangements for different types of non-staff. The present review indicates that organizations do not have a proper definition and overarching criteria for the use of non-staff personnel.

The employment relationship: a universal/overarching determining factor for the use of staff and non-staff personnel contracts

18. A review of international labour principles reveals that the definition and criteria for the use of non-staff personnel should be based on the "employment relationship" as determined in generally accepted labour standards. According to the International Labour Organization (ILO) recommendation No.198 (2006), if the work requires an employer-employee relationship, then the contract should be an employment/staff contract. If the work entails an independent contractor relationship rather than an employment relationship, then it should be a non-staff contract. The recommendation gives precedence to the practice over the contract itself, stating in its paragraph 9 that "the determination of the existence of [an employment] relationship should be guided primarily by the facts relating to the performance of work and the remuneration of the worker, notwithstanding how the relationship is characterized in any contrary arrangement, contractual or otherwise, that may be agreed between the parties".

19. The recommendation also provides criteria for the determination of the existence of such a relationship, relying on the facts relating to the performance of work and the remuneration of the worker. In addition, the recommendation gives examples of criteria used by different countries when determining the existence of the "employment relationship"; for example, in the Chilean Labour Code, it is automatically presumed that a contract of employment exists when an employee works under the subordination and dependence of another person and enjoys a fixed remuneration, or, in the Portuguese Labour Code, it is always presumed that the parties have entered into an employment contract when the worker is part of the organizational structure of the beneficiary's activity and performs a service under the latter's guidance.

The employment relationship[2]

A central feature of the traditional employment relationship, one that can be found in different countries and legal traditions, is the hierarchical power of employers over employees. This hierarchical power combines three related elements:

(a) The power to assign tasks and to give orders and directives to employees (directional power);

(b) The power to monitor both the performance of such tasks and compliance with orders and directives (power of control);

(c) The power to sanction both improper or negligent performance of the assigned tasks and given orders and directives (disciplinary power).

[2] International Labour Organization (ILO), *The employment relationship: a comparative overview* (Geneva, 2011).

20. In European countries, the main criterion for establishing an employment relationship or an employment contract is that one individual is subordinate to or dependent on another. In addition, the main indicators of an employment relationship are:

(a) An employer's power to have control over the work and to supervise the employee plays a key role in most countries. The major considerations include control over the work, hiring, discipline, training and evaluation;

(b) Integration in the employer's organization, including the importance of the worker's work to the business of the beneficiary and whether the worker is subject to the same organizational rules;

(c) Exclusivity, primarily of providing services for the benefit of another, principally aimed at establishing the economic reality of the relationship;

(d) Whether the worker is required to carry out the tasks personally;

(e) Whether the worker receives regular, periodic payments from a principal, instead of payment upon the submission of invoices or the completion of specified services;

(f) Whether the worker's contract provides for entitlements that are typical of an employment relationship, such as weekly rest periods or annual leave.[3]

Critical finding in the United Nations system organizations

In many organizations, some non-staff personnel work for long periods with short-term contracts under a de facto employment relationship. This violates internationally accepted labour principles and values that are inherent in the foundation of the United Nations system organizations.

21. The information obtained in responses to questionnaires, interviews with managers, non-staff focus groups and non-staff surveys indicates that, in most organizations, non-staff personnel are used for long periods with short-term contracts, in varying degrees but at significant levels. Most of the employment indicators listed above were found to be applicable to the use of non-staff personnel by the United Nations system organizations, in particular at the field level. In that regard, the review found that a significant level of non-staff are:

- Working under the control and direct supervision of staff of the organization
- Working full time on the organization's premises, subject to regular staff working hours
- Provided with an office, desk, phone and e-mail account
- Considered an integral part of the operations of the organizations; in many field locations, staff are the minority and non-staff make up the largest part of the workforce, in particular in project activities
- Receiving salaries regularly without depending on specific delivery and invoicing
- Subject to performance assessments and the same code of conduct as staff
- In some cases, receiving various levels of social benefits, such as annual leave, maternity leave and medical insurance
- Receiving training to some degree
- Provided, in some cases, with managerial authority.

22. The employment relationship was therefore de facto established for a significant number of non-staff personnel who currently work for the United Nations system organizations. They frequently perform functions of a continuous nature for years and usually with staff members.

[3] Adapted from ILO, *Regulating the employment relationship in Europe: a guide to Recommendation No. 198* (Geneva, 2013).

23. The use of non-staff personnel by organizations can, for practical purposes, be divided into two major groups: the use of non-staff personnel for real consultancy-type work that is short-term and performed when the required expertise is not available within the organization; and the use of non-staff personnel to perform staff-type work, that is, under a de facto employment relationship and regularly located at the respective offices of the organizations.

24. For consultancy-type work, organizations use specific consultancy contracts. In general, this well-established modality is understood by all parties involved and does not represent a problem from the employment perspective. In practice, these types of contracts are used less often than other contractual modalities for long-term staff-type work. Some other types of non-staff contracts are used extensively to hire non-staff personnel to perform staff-type work for relatively long periods. The criticism contained in the present review is not directed at the use of all categories of non-staff contracts in general; it refers mainly to the specific misuse of non-staff contracts to perform staff functions and for long periods.

Use of non-staff to perform the same or similar functions as staff

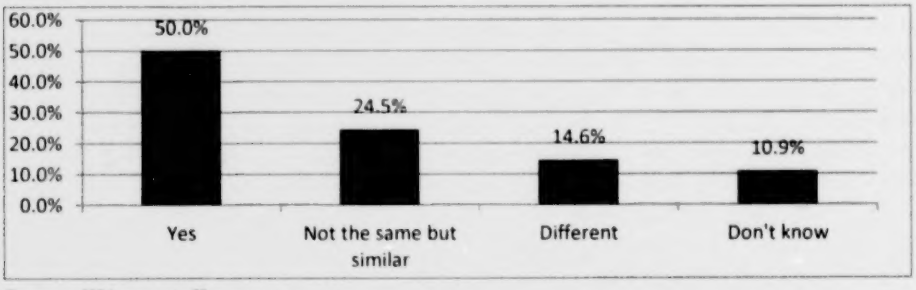
25. The issue of non-staff performing regular and continuous duties for long periods under a de facto employment relationship was identified to varying degrees in every location visited. Indeed, in some organizations, staff comprised a minor part of the workforce and projects were carried out mostly by non-staff personnel. The problem was also reflected in responses to questionnaires and the survey. Table 2 below reflects the answers provided by organizations regarding the nature of functions performed by non-staff. Figure I below shows the responses of non-staff when asked if their work was of the same nature as that of regular staff.

Table 2: **Nature of the functions performed by non-staff personnel (percentage)**

	Same or similar functions as regular staff performed on a short-term basis	Same or similar functions as regular staff performed on a long-term basis	Functions of a specialized nature not available within the organization	Executive or managerial functions	Advisory tasks
Very	9	4	**39**	0	13
Frequently	26	22	**39**	0	**61**
Occasionally	**48**	**43**	13	30	9
Never	4	17	0	**56**	4
No Answer	13	14	9	14	13

Source: Corporate responses to JIU questionnaire.

Figure I: **Responses of non-staff to survey as to whether their work was of the same nature as that of regular staff (excluding United Nations Volunteers responses)**



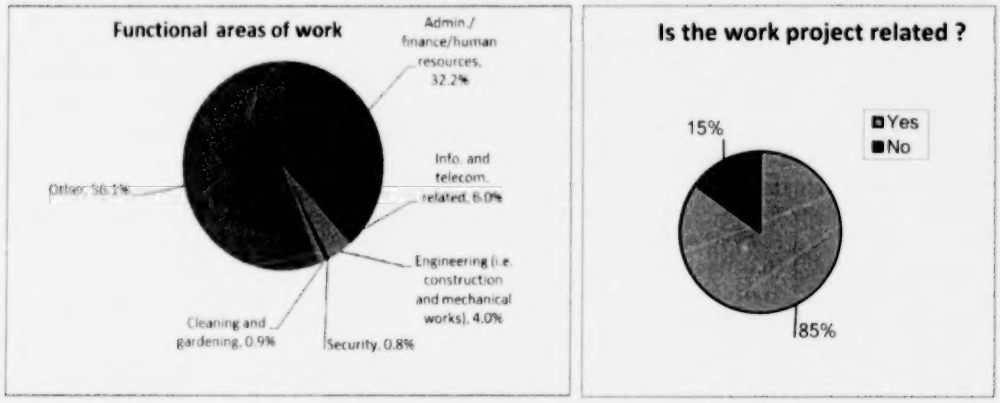
Source: JIU non-staff survey.

26. As shown in table 2, organizations acknowledge that a significant proportion of the functions performed by non-staff are the same or similar to those performed by staff ("occasionally" or "frequently"). From the non-staff personnel point of view, as shown in figure I above, 74.5 per cent indicated that their work was the same as or of a similar nature to the work of regular staff.

27. The areas of non-staff work vary depending on the location and activities of the organizations, but the majority is project-related. As demonstrated in figure II below, 85 per cent of the respondents to the online non-staff survey stated that their work was mostly project-related. The figure also indicates the functional areas of work of the non-staff who responded to the survey. While the administrative area makes up 32.2 per cent, the "other" category makes up the highest percentage, with 56.1 per cent. The high percentage of the "other" category can be interpreted as meaning that most non-staff respondents who performed project-related work chose this category.

Figure II

Areas of work and whether the work is project-related (survey responses, excluding United Nations Volunteers responses)

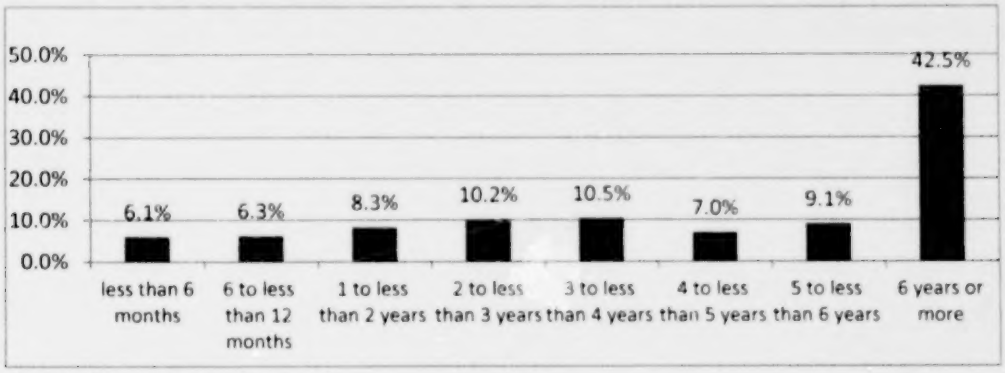


28. During meetings with the Inspectors, some managers argued that the extensive use of non-staff in projects was justified since projects were of a limited duration. This argument is not valid in the light of generally accepted labour principles. Even for a limited duration, personnel working under an employment relationship require a proper staff contract, albeit limited to the duration of projects.

Use of non-staff for long periods

29. The information gathered from interviews with managers, non-staff focus groups and staff associations indicated that non-staff personnel were regularly used under short-term non-staff contracts through extensions and/or renewals of contracts. This was observed during field missions and confirmed by the non-staff survey. As seen in the non-staff survey response illustrated in figure III below, 79.3 per cent of respondents had worked in their organizations for more than two years. A total of 42.5 per cent of them declared that they had been working under non-staff contracts for more than six years.

Figure III
Years of work of non-staff in organizations (excluding United Nations Volunteers responses)



Source: JIU non-staff survey.

Use of non-staff under staff working conditions

30. The information gathered from interviews with non-staff personnel indicated that they frequently worked on the organization's premises and under the same work management conditions as staff. This was confirmed through the non-staff survey, in which 67 per cent of respondents indicated that they had been assigned a desk, phone and/or e-mail account and required to work regular office hours for the duration of their contracts. Furthermore, the majority of non-staff personnel worked under the daily supervision and direction of a staff member, like any member of regular staff. Indeed, when asked whether they had worked under the supervision of a regular staff member, 59 per cent of non-staff respondents said that they had.

31. These data, combined with other relevant data, such as non-staff working for multiple years performing staff-type functions and the findings of in-the-field interviews, indicate that non-staff personnel are integrated into the major work activities of the organizations. In other words, if non-staff personnel were removed from organizations, particularly in the field, the activities of some organizations would stop or substantially decline. The findings show that elements referred to by organizations when differentiating non-staff from regular staff on the basis of functions, duration and duties required are not properly applied, thus rendering such differentiation irrelevant in practice. Moreover, non-staff policy documents provide much room for the overuse of those contractual modalities.

32. The Inspectors conclude that there is a necessity to establish a clear policy framework for the use of non-staff, including the concepts of non-staff and the overarching criteria to decide between staff and non-staff contractual modalities. Such a policy should be guided by internationally accepted labour principles. It is advisable that organizations work on the issue under the High-level Committee on Management (CEB) to establish a common system-wide framework to guide the individual policies of organizations in the context of harmonization.

33. The implementation of the recommendation below will strengthen coherence and harmonization.

Recommendation 1: The executive heads of the United Nations system organizations should revise their non-staff policies, including the definition of non-staff and the criteria for the use of non-staff personnel, by using the employment relationship principle in accordance with relevant labour recommendations of the International Labour Organization.

B. Reasons for the use of non-staff personnel

Key finding: *The main reasons for the significant level of use of non-staff personnel are cost effectiveness and relative flexibility.*

34. The analysis of the responses to the JIU corporate questionnaire shows that cost effectiveness, budgetary restrictions, lack of resources, unpredictable funding and a need for flexibility, i.e., simpler non-staff recruitment processes versus the rigidity of staff regulations and rules and a lack of delegation of authority, are the main reasons for hiring non-staff personnel. The management teams of the field locations visited were aware of the misuse of non-staff personnel and provided reasons justifying "the unintentional exploitation of non-staff resources" as follows: (a) management flexibility and lower associated costs when compared with staff costs; (b) non-staff contracts are less cumbersome and can be prepared at short notice; and (c) rigid budgetary processes and stringent staff regulations and rules pose obstacles to hiring staff.

35. Cost considerations play a crucial role in the use of non-staff personnel. In general, non-staff contracts do not include social benefits, namely, retirement benefits, medical insurance – including for dependents – maternity and paternity leave, annual and sick leave, or, if they do, offer fewer benefits and entitlements than staff contracts. In that context, another very important cost factor is that non-staff contracts do not create additional long-term liabilities for the organizations, such as home leave remunerations, after-service health insurance and retirement benefits, for example, relocation and pension payments. In addition, in comparison to staff contracts, the remuneration levels used for non-staff personnel are less standardized and not consistently applied in practice. In comparison to staff contracts, managers have more flexibility to set remuneration levels. Faced with constant financial constraints, there is a tendency to set non-staff personnel remuneration at lower levels than those used for regular staff with equivalent levels of responsibility.

36. Most organizations establish stringent requirements for the creation of staff posts; for example, they need to be approved at headquarters and frequently require the approval of the respective governing body. In addition, staff recruitment processes are often considered cumbersome, involving, inter alia, long advertisement and application periods, the establishment of panels and the participation of central review bodies. When it comes to non-staff, substantial delegation of authority is usually given to agency representatives at the country level for the recruitment and management of local personnel on non-staff contracts.

37. The Inspectors would like to call attention to the fact that it is not correct for managers to alleviate some human resources problems by creating other important human resources issues through the misuse of non-staff contractual modalities. Instead, the root problems should be properly and specifically addressed. While the rigidity of the budgetary process, combined with the current financial crisis, is a real issue that calls for higher efficiency and lower costs, it should not be an excuse to justify the improper use of contracts and the lack of a proper workforce planning exercise. Instead organizations should work together with ICSC to identify any inflexibility, propose possible alternatives and communicate to their governing bodies relevant budgetary problems.

38. The United Nations Development Programme (UNDP) in its comments to the draft version of the present report indicated that for the most part it provides services to implementing partners (often a government entity) relating to contracting personnel to support the implementation of a programme or project at the request of an executing agency. Typically, this occurs in the hiring of national personnel

for project activities (professional or support activities), and especially in hiring for national implementation projects. In most cases, the individuals are not in a regular UNDP working environment, i.e. they are not in a UNDP office or working in another out-posted UNDP activity. Notwithstanding this, UNDP is monitoring the work, providing technical and substantive supervision and taking responsibility for the results. The Inspectors would like to point out that as long as service contracts are established between UNDP and individuals and remuneration payments are made by UNDP, as a legal provider of the contract UNDP has the main responsibility for the provision of the right contract and relevant entitlements in line with internationally accepted labour standards.

C. Level of use of non-staff personnel across the system

Key finding: *Organizations do not have sufficient data on the use of non-staff, in particular the total non-staff costs and the breakdown by location and contractual modality, the duration of non-staff personnel services and their weight in the total workforce.*

39. In order to have a comprehensive picture of the use of non-staff personnel across the system, the Inspectors requested organizations to provide figures on the use of non-staff personnel for the same date in two consecutive years, namely, the end of March 2012 and the end of March 2013. The data received from organizations is compiled in annex II to the present report and summarized in figure IV below. The data illustrate certain facts and trends but should be taken cautiously as some organizations have not provided adequate or uniform data owing to various limitations, such as the unavailability of data for the requested periods and limitations of their respective enterprise resource planning (ERP) systems. For example, some systems counted the number of contracts rather than the number of individuals concerned. In addition, the lack of baseline data combined with the lack of homogeneity in data from the different contractual modalities and different terminology used by organizations represented a real challenge when trying to establish a system-wide picture.

40. The Inspectors would like to highlight the need for adequate human resources management information systems to efficiently plan and manage the workforce, including both staff and non-staff. Many organizations have difficulties, to varying degrees, in producing comprehensive data, particularly on non-staff expenditure and associated costs broken down by location, such as headquarters and in the field, and by contractual modality. More needs to be done by organizations in order to provide a rigorous analysis and consistent view of non-staff personnel over the years. It is necessary to develop a mechanism to report regularly and systematically on the use of non-staff personnel as part of workforce planning, monitoring and decision-making; these reports should be discussed at senior management meetings and submitted to legislative or governing bodies for their oversight.

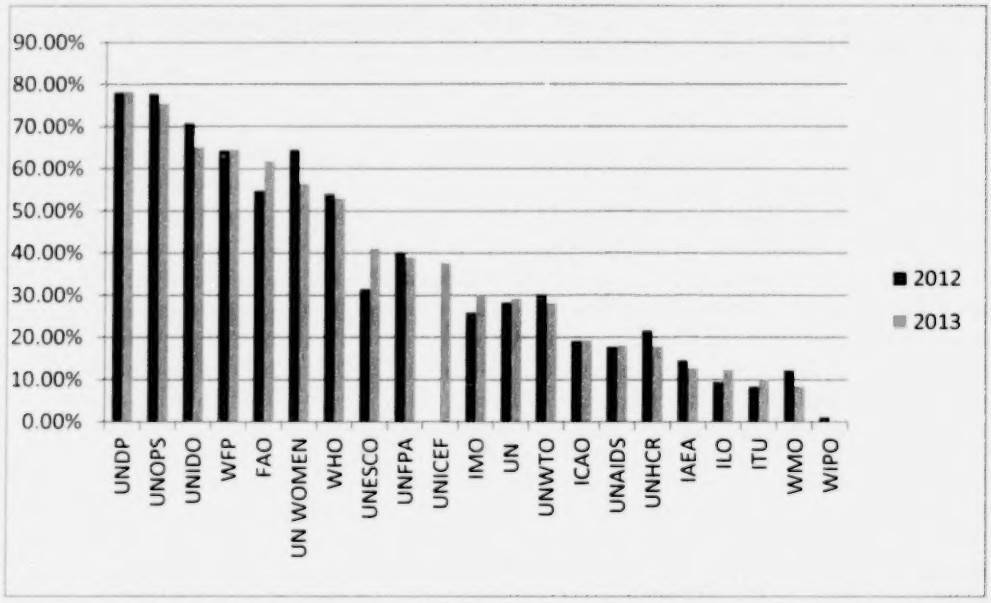
41. As ERP systems develop, organizations should ensure data collection as well as real time monitoring of non-staff contracts. In their responses, some organizations indicated good developments on this issue. The United Nations Educational, Scientific and Cultural Organization (UNESCO) informed the Inspectors that, as at January 2014, all of its service contracts had been integrated in the ERP and the remaining non-staff contracts would be integrated as of January 2015. It had compiled statistics on non-staff in real time and also in full-time equivalent. UNESCO officials indicated that these measures would provide an enhanced vision of the overall workforce. The Food and Agriculture Organization of the United Nations (FAO) confirmed that, with the roll-out of its ERP to all decentralized offices, it was in a position to record complete data on the use of all types of non-staff personnel worldwide, including by location, remuneration level, nationality, gender, length of contract,

average duration of contract and by funding source. Likewise, the World Health Organization (WHO) had developed a detailed information system on non-staff personnel.

Ratio of non-staff to total workforce (staff and non-staff)

42. Figure IV below shows non-staff personnel as a percentage of the total workforce of the organizations at two points in time. The proportion of non-staff personnel ranges from 78 per cent in UNDP and 76 per cent in the United Nations Office for Project Services (UNOPS) to 10 per cent in the International Telecommunication Union (ITU) and about 1 per cent in the World Intellectual Property Organization (WIPO).

Figure IV
Non-staff personnel in 2012 and 2013 as a percentage of the total workforce



Source: Corporate questionnaire responses by the organizations.

43. In general, organizations that rely on extrabudgetary resources or organizations that are project- and programme- oriented use more non-staff than regular staff personnel. As seen in the figure above, in UNDP, UNOPS, the United Nations Industrial Development Organization (UNIDO), the World Food Programme (WFP), FAO, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and WHO, non-staff make up more than 50 per cent of the total workforce. In field offices of those organizations, key managerial positions are usually encumbered by international and/or national staff, while the rest of the operations are carried out by non-staff personnel. Non-staff are mainly used in support of programmes and projects, be it long-term or for specific deliverables. In a way, the "face" of the field offices of these organizations is non-staff rather than staff.

44. It should be noted that these figures are not an indication of a permanent state within organizations, but rather a snapshot of the situation at a particular moment, i.e., the end of March 2012 and the end of March 2013. Given the short-term nature of non-staff contracts, the share of non-staff personnel may vary with time. Therefore, in order to have a more precise idea of the use of non-staff personnel by

organizations, it is necessary to have full-time equivalent/whole year data, which, unfortunately, were not available. However, the above data show similar figures/weight of non-staff in two consecutive years for the organizations. This may cautiously be interpreted to some extent as demonstrating that non-staff personnel as a proportion of the total workforce remain similar over the years.

45. The staff and non-staff figures provided by organizations have been compiled and reproduced in annex II, including an explanation of the estimates made in order to obtain an overall indicative figure of the weight of non-staff personnel in the total United Nations system workforce, which would be approximately in the range of 81,000 to 87,000 individuals, or around 45 per cent of the total workforce in 2012-2013.

46. Among the United Nations system organizations, UNESCO shows the highest growth in the use of non-staff personnel. Its non-staff as a proportion of the total workforce increased from 31 per cent to 41 per cent from 2012 to 2013. As seen in annex II, while the number of staff decreased, the number of non-staff increased. This trend can be interpreted as a consequence of the difficult financial position faced by the organization. UN-Women shows the highest reduction in the weight of non-staff in the total workforce, from 64.5 per cent to 56.5 per cent. The case of UN-Women should be seen as the result of efforts to reduce the number of non-staff personnel after several critical oversight reports recommended that the number of long-term personnel under non-staff contracts be reduced. The issue is under the scrutiny of senior management, as indicated during the interviews held with UN-Women officials.

D. Use of non-staff personnel as part of a global strategy and business model

Key finding: *There is no business model and strategy for the use of non-staff personnel.*

47. In an effort to better understand possible business models for the use of non-staff, the Inspectors asked organizations to indicate if they had established an underlying corporate strategy and/or business model(s) for the use of non-staff personnel, including the establishment of targets for what would be a desirable balance of regular staff and non-staff personnel.

48. Only one of the organizations, the Office of the United Nations High Commissioner for Refugees (UNHCR), indicated that they had a strategy for the use of non-staff. There, it is defined and accepted as a tool to ensure operations as a parallel track to regular staff positions; it allows greater flexibility to increase and reduce the workforce in response to operational demands; provides quicker deployments; and gains access to enhanced expertise not ordinarily available at UNHCR. UNHCR has established a systematized approach for non-staff. It is envisaged that the ratio of UNHCR regular staff to affiliate staff must remain such that a sufficient number of key UNHCR staff are in place for effective managerial decision-making and supervision. Furthermore, the ratio must provide adequate continuity and stability to the respective unit/section.

49. The comparative analysis of country cases shows that the same organizations have different models in different countries without an explicit strategy. For example, UNDP has a higher proportion of non-staff personnel working in Haiti (89 per cent) than in Ethiopia (60 per cent). The two peacekeeping operations visited, namely, MONUSCO and MINUSTAH, have a similar distribution of their workforce, that is, a ratio of roughly 60:40 staff to non-staff. More stable establishments, like the

regional commissions, have relatively fewer non-staff, for example ECA (72:28 staff to non-staff) and ESCAP (89:11 staff to non-staff).

50. The number of projects undertaken by the organizations in a given country is also, to some extent, an indication of a higher use of non-staff personnel. The highest share of non-staff personnel in the field offices visited was found in UNOPS Haiti and WHO India (that is, over 95 per cent non-staff in both cases) and the lowest was found at the United Nations Population Fund (UNFPA) India, where there were no non-staff. The limited number of country cases makes it difficult to determine the existence of a clear business model at the global level. However, it is safe to say that organizations use non-staff mostly in the execution of projects.

51. The corporate documentation reviewed shows that FAO has explicit targets on this issue. According to FAO, a target of a 60:40 ratio of staff to non-staff was envisaged so as to allow for a greater flexibility in delivering the organization's programme of work in times of substantial budgetary constraints. As at 31 December 2008, the organization had 1,781 non-staff human resources contract holders (excluding casual labourers), representing 34 per cent of the workforce.[4] In addition, an informal target of a 25:75 ratio of staff to non-staff was indicated by some UNDP managers interviewed during field missions.

52. Ideally, organizations should have a corporate sourcing strategy that shows where, at what level and how to use staff, non-staff and outsourcing services, taking into consideration good labour principles, cost-benefit and global corporate business strategy. Instead, in reality, organizations are driven by an ad hoc approach and decisions made under the pressure of daily limitations resulting in unsustainable human resources practices.

E. Cost of non-staff versus staff

53. During the review, organizations were asked to provide aggregate cost/expenditure figures for non-staff personnel globally and a breakdown of costs by headquarters and field offices. Unfortunately, many organizations were not able to provide the required figures for a comprehensive analysis. Therefore, it was not possible to see the proportion of non-staff personnel in the total cost of the workforce. This situation is certainly not conducive to rational decision-making in the organizations. Furthermore, the review found that organizations, in general, had not prepared any financial (cost-benefit) and/or risk analysis for the significant use of non-staff personnel as part of their total workforce. **Only FAO made some explicit calculations of indicative savings. It stated that the average yearly cost of each non-staff human resource at headquarters in 2008 was approximately $58,300, and since such resources are generally employed to carry out professional level work, this represented a far more economical alternative to creating a professional post (by more than 50 per cent).**[5] In addition, UNFPA provided an example from its Viet Nam office, where the annual remuneration for a service contract post (equivalent to the post of National Professional Officer, level B, step 6 (NOB/6)) in 2013 was $30,051, compared with $45,653 for an equivalent fixed-term appointment post (NOB/6). This indicates that service contracts were roughly 34 per cent less costly than staff contracts.

[4] FC 126/15, Revised Policy and Implementation of Food and Agriculture Organization of the United Nations (FAO) Use of Contractors and Retirees; FC126/15; 15 May 2009; para. 5.

[5] Ibid, para. 8.

54. National UNVs also represent lower personnel costs to organizations. According to UNV headquarters, the annual cost of an international UNV assignment ranges from $48,048 to $84,023. The annual cost of a national UNV ranges from $4,140 to $27,486, yet costs vary from country to country. The Inspectors found during their field missions that most UNVs performed the professional work of international staff, usually equivalent to the P-2 or P-3 level. Similarly to UNVs, the annual cost of a professional post varies considerably depending on the location, owing to the post adjustment mechanism and associated entitlements. However, it can be approximately estimated to be in the range of $109,300-$118,800 for a P-2 and $142,500-$152,500 for a P-3 post.[6] These figures give an indication of the significantly lower cost of using international UNVs instead of international professional staff.

55. **According to FAO, the lower cost of non-staff, together with the flexibility that such human resources offer, has contributed to the extensive and prolonged use of non-staff contractual instruments**.[7] The lower costs, combined with flexible non-staff contractual modalities, make the use of non-staff personnel very attractive.

56. The information gathered from interviews with management reflected the consensus that donor pressure to reduce project staffing costs, the temporary nature of project work and the lack of predictability in funding flows often pushed organizations to use more non-staff than staff to reduce project costs while maintaining flexibility. Indeed, the use of non-staff personnel is predominant in project-related work. Around 85 per cent of respondents to the non-staff survey indicated that their work was "project-related". Furthermore, officials interviewed added that, in the context of the ongoing financial crisis, organizations were asked to be cost-effective and to do more with less. The Inspectors would like to clarify that the existence of such limitations does not justify the misuse of non-staff personnel and is against the principles and values inherent in the United Nations system and in contradiction with generally accepted labour principles.

F. Impact of the misuse of non-staff personnel: a lose-lose situation

Key finding: *Organizations are affected by the misuse of non-staff personnel as they face increasing risks, high turnover, the lack of a stable and motivated workforce and a potential increase in legal challenges.*

Key finding: *United Nations entities often do not comply with the minimum labour standards established in national laws (for example, lack of stable contracts and entitlements).*

57. The impact of the misuse of non-staff is multidimensional and affects staff and non-staff as well as the organizations concerned. Regular staff feel uncomfortable working side-by-side with non-staff colleagues, while non-staff individuals feel mistreated and consider themselves second-class

[6] Cost of a P-3/P-2: Nairobi, $152,500/$118,800; Bangkok, $142,500/$109,300; Lebanon $146,500/$114,600. Staff assessment has been deducted from the total cost of a P-3/P-2 post for the respective duty stations as reflected in version 7 of the standard salary costs for 2015.

[7] FC 126/15, Revised Policy and Implementation of FAO Use of Contractors and Retirees; FAO Finance Committee, FC 126/15, para. 8.

employees, as frequently expressed at focus-group meetings. Staff and non-staff morale is affected by the improper use of non-staff contractual modalities.

58. The misuse of non-staff contracts has an obvious impact on the well-being of non-staff and their families, at it may increase their vulnerability, in particular when the lack of social protection is extended for long periods of their professional careers. It therefore has important consequences, not only for their precarious present conditions, for example, difficulties in obtaining bank loans or renewals of lease contracts and avoidance of necessary health-related expenditure, but also for future social benefits, such as retirement pension schemes. Furthermore, in the absence of stable contracts and lack of representation and access to an internal justice system, non-staff remain vulnerable to abuse.

59. Organizations are also affected by the misuse of non-staff personnel, as they face reputational risks, high turnover, high administrative overheads, the lack of a stable and motivated workforce, a potential increase in fraud or corruption cases as well as a potential increase in legal challenges. The main risk areas identified are as follows:

- Loss of reputation due to unfair employment practices
- Exposure to legal disputes when a de facto employment relationship exists but is not recognized by corresponding contractual modalities and benefits
- Partly weakened internal control framework due to a significant level of use of a temporary workforce without proper integration
- Exposure to increases in fraud with the use of non-staff who often cannot be held responsible in the United Nations internal justice system
- Weak recruitment procedures used in hiring a large number of non-staff potentially increases the risk of nepotism and fraud
- Risk of losing control of core functions and services if they are increasingly transferred to a temporary workforce
- Loss of institutional knowledge due to increasing temporary workforce
- Blurring of organizational culture, causing tension and low morale among the workforce by creating varying statuses and providing different benefits for similar work
- Loss of international character of the workforce
- Endangered accountability framework due to discretionary recruitment and use of a significant number of temporary personnel
- Exposure of programmes/projects to a lack of ownership due to temporary and unfair contractual modalities
- Significant level of risk for abuse of authority and retaliation against non-staff personnel without recourse.

60. While, from a legal perspective, the United Nations system organizations are not subject, in principle, to national labour codes and international labour principles, they cannot hide behind their privileges and immunities and continue to misuse non-staff personnel. It is not honest on the one hand to defend human rights,[8] high principles and concepts such as decent work,[9] or those included in the Global

[8] See the Universal Declaration of Human rights, which states in article 23, paras 2 and 3: "2) Everyone, without any discrimination, has the right to equal pay for equal work; 3) Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection."

[9] The ILO has developed an agenda for the community of work, the Decent Work Agenda supported by four strategic pillars: job creation, rights at work, social protection and social dialogue. Decent work involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. ILO website: http://www.ilo.org/global/topics/decent-work/lang--en/index.htm

Compact,[10] while on the other hand creating a vulnerable workforce under labour conditions that frequently do not meet the local labour standards established in the very same countries where operations take place, as observed by Inspectors during their field missions. For example, in Haiti, the Inspectors were informed that, on the local labour market, an employee becomes "employee/staff" with associated entitlements after a three-month probationary period.

61. In the view of the Inspectors, as a matter of principle, the United Nations system organizations should follow standards of employment not less favourable than those observed for comparable employers in the host country and, in any case, not lower than the minimum standards legally established by host country authorities.

UNFPA-India experience

62. Some organizations made attempts to discontinue the practice of using non-staff personnel for extended periods. A good example is UNFPA in India, which explained that, in 2009, there had been a push from headquarters and auditors to eliminate the bad practice of having non-staff performing staff-type work for long periods; UNFPA subsequently undertook a reorganization exercise for the India country office. All non-staff personnel that performed core functions were given fixed-term contracts. There were around 20 national project personnel, of which the majority were converted to national staff with fixed-term appointments. Managers indicated that the idea was to ensure that all technical personnel could have a sense of belonging to UNFPA and could act and work for the UNFPA mandate and in the same conditions and in the same spirit. Management indicated that, as a result of the exercise to change non-staff to fixed-term contracts, there was a positive change in personnel performance; people no longer dwelled on contract modalities, no group was more powerful than another and there was a level playing field for all. Performance appraisal is done online and applies to all staff. Everyone has ERP access rights, resulting in increased efficiencies. Transactional work has reduced and administrating has become easier.

G. Non-staff personnel: a significant part of the total workforce

Key finding: *Through the significant use of non-staff personnel, a new category of personnel is being de facto created as a parallel workforce to perform a variety of functions, including administrative, managerial and particularly project-related work.*

63. Through the significant use of non-staff personnel, a new category of personnel is being de facto created in the United Nations system. The different contractual modalities used for non-staff are discussed later in the report and in the appended country case studies. It should be noted that some of these modalities already offer benefits that are conceptually similar to those usually associated with staff contracts, such as health insurance, annual and sick leave and maternity leave. In addition, the

[10] In particular Principle Six: eliminate discrimination in respect of employment and occupation. The labour principles of the Global Compact are taken from the ILO's Declaration on Fundamental Principles and Rights at Work, adopted in 1998 by the International Labour Conference. Consensus now exists that all countries, regardless of level of economic development, cultural values, or ratifications of the relevant ILO Conventions, have an obligation to respect, promote, and realize these fundamental principles and rights.
http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/labour.html

Inspectors learned during their field missions that, in an effort to ensure fair treatment, some entities were considering the introduction of enhancements in the conditions offered to certain non-staff groups, such as the provision of local pension schemes, particularly for those working for extended periods and performing staff-type functions.

64. The Inspectors see a certain resemblance of the current situation with previous human resources management reforms and believe that it is time to apply the lessons learned from previous reform efforts. Initially, all staff of the United Nations Secretariat were treated under one set of Staff Rules and Staff Regulations, known as the "100 series". Over time, contractual arrangements were developed to deal with changing needs and new requirements for greater flexibility. These were addressed through the use of the "200 series" for personnel working on technical assistance projects and, subsequently, through the "300 series", initially introduced for temporary contracts of up to six months. The "300 series" evolved and the appointment of limited duration was introduced to recruit non-career personnel performing time-limited functions. Appointments of limited duration provided fewer benefits than regular staff contracts and were designed to be simple to administer given their temporary nature. However, dissatisfaction grew among "300 series" personnel and changes were gradually introduced to appointment of limited duration contracts, such as enhanced annual and maternity leave, in order to mirror those contracts under the "100 series". Finally, effective 1 July 2009, the "200 series" and "300 series" were abolished and only the "100 series" staff rules were kept, with three types of staff contracts (temporary, fixed-term and continuing). Prior to that date, there were three sets of staff rules (100, 200 and 300 series) with 11 types of contracts.

65. In interviews, managers indicated that the abolished staff contracts were mostly replaced by non-staff contracts. In the past, they had the opportunity to use appointment of limited duration contracts for projects that provided better conditions. When those appointments were terminated, most organizations opted for the use of non-staff contracts – with fewer benefits compared with appointments of limited duration – instead of providing project personnel with appropriate staff contracts.[11]

66. Over the years, while staff contractual modalities have been simplified and reduced, the use and types of non-staff contractual arrangements have increased. The current situation of non-staff contracts is similar to the proliferation of staff contracts with different entitlements described above. There are many different types of non-staff contracts with no or reduced entitlements; however, some non-staff contractual modalities are evolving, offering some but not all of the entitlements of staff contracts, in order to grant some recognition of the fact that non-staff personnel perform the same or similar functions as staff.

67. Most managers interviewed acknowledged and lamented the misuse of non-staff contracts and the tension in the workplace it has created. Some suggested that further social benefits be provided to non-staff; others suggested that another category of personnel be established between staff and non-staff, particularly for project and programme implementation. It was suggested that appointments of limited duration should be brought back, or that current non-staff contracts should provide all staff contractual benefits while ensuring flexibility, which is key for managers in field operations.

68. In the view of the Inspectors, the current situation is not sustainable. There is a need for a fair solution for personnel who perform staff-type functions but who work under non-staff contracts for

[11] UNESCO indicated that in 2012 it introduced fixed-term project appointments to provide project personnel with appropriate staff contracts.

extended periods of time. Therefore, each organization concerned should undertake an analysis of its own situation regarding the use and misuse of non-staff personnel with a view to providing equal benefits for equal work for all personnel and eliminating an unfair duality in the workforce. It is evident that this would lead organizations to have more regular staff rather than non-staff, with the associated financial implications. Each organization should establish the complexity of the problem and the financial resources required to solve it. They should submit a proposal to their governing bodies for them to take a decision on the use of non-staff and provide the necessary financial resources.

H. Need for enhanced monitoring and oversight mechanisms for the use of non-staff personnel

Key finding: *Effective monitoring and oversight of the use of non-staff and related contractual modalities are lacking, at both the corporate/senior management and the legislative/governing body levels.*

69. As mentioned above, there are clear findings that confirm the lack of proper policies for non-staff contractual arrangements or their insufficient implementation. The number of non-staff personnel has reached a substantial level in the total workforce. This situation poses significant risks to the organizations, yet there is little monitoring and oversight in this area. The Inspectors stress the need to minimize associated risks. This calls for enhanced monitoring and oversight at the levels of: (a) operational management, that is, hiring managers and respective human resources management units; (b) corporate/senior management; and (c) governing bodies.

Oversight and monitoring by legislative/governing bodies

70. Frequently, meaningful oversight by governing bodies of the use of non-staff is missing. In general at governing body sessions, there is detailed reporting on and discussion of regular staff issues, but reporting and discussion on non-staff, where there is any, is superficial and not commensurate with the proportion of non-staff personnel. There are, however, relatively good examples in some organizations. For example, the Director-General of UNESCO presents to the Executive Board an annual detailed analysis of the organization's use of consultants. Similarly, FAO reports regularly on the use of non-staff personnel to its governing body through the FAO Finance Committee. The United Nations Secretariat reports on the use of non-staff biennially to the General Assembly, through the report of the Secretary-General on the composition of the Secretariat: gratis personnel, retired staff and consultants and individual contractors.[12]

71. Considering that, system-wide, non-staff have become a significant part of the workforce that sometimes exceeds the number of regular staff in some organizations, it is critical that legislative/governing bodies exercise their oversight responsibility systematically and demand and review detailed analytical reports on the use of non-staff as part of their regular agenda. The Inspectors are concerned that, although legislative bodies are against the use of non-staff personnel for staff-type

[12] See A/67/329/Add.1.

work, in particular for prolonged periods, and have consequently so ruled through relevant resolutions,[13] they might not be fully aware of the real situation, owing to a lack of analytical reporting.

72. The implementation of the recommendation below will result in enhanced controls and compliance.

Recommendation 2: The legislative/governing bodies of the United Nations system organizations should systematically exercise their oversight functions on the use of non-staff personnel through regular reviews of non-staff personnel information/data provided by the respective executive heads.

Oversight and monitoring by corporate/senior management

73. The situation regarding the level of non-staff personnel in organizations raises serious questions on the effectiveness of current control and oversight mechanisms of the use of such personnel. Data collection and analysis are essential for effective decision-making, in the sense that if you cannot measure, you cannot manage. As mentioned above, organizations have had difficulty in providing adequate data regarding the use of non-staff personnel. The Inspectors have not seen any analytical monitoring and analysis or any mechanisms at the organizational level. There has been no accountability applied for the misuse of non-staff personnel. It is the responsibility of senior management to monitor and oversee the use of non-staff personnel and to report accordingly to governing bodies. Overall, no clear responsibility has been assigned to any central department/unit or, even if assigned, responsibility has not been exercised properly.

74. In terms of internal control and the delegation of authority, organizations use different modalities. In line with the level of decentralization in organizations, the hiring of non-staff is delegated accordingly. While headquarters-oriented organizations have a more centralized control, decentralized organizations provide full authority to field managers. In general, recruitments in the field have lighter control mechanisms. It is important that organizations exercise separation of duties and involve several staff in the recruitment process in order to increase transparency and control. Current information systems can bring very useful checks and balances to the process.

75. In general, recruitment is delegated to units and local offices and little supervision and control is exercised by headquarters management. While some organizations require country-level monitoring by the local human resources authority, others delegate all recruitment activities to operational hiring managers without the necessary checks and balances. There is a risk that the lack of close monitoring may result in fraud, nepotism and inconsistent implementation across organizational units.

76. The Inspectors thus concluded that there was a need to strengthen internal control and monitoring mechanisms in order to ensure that non-staff contractual instruments were correctly applied for the purposes for which they were intended and that the risks in the use of non-staff were mitigated in line with good labour practices. To that end, organizations need to ensure that: (a) there are checks and balances during the recruitment of non-staff personnel at the unit level; (b) corporate/senior management, supported by a headquarters department, such as human resources, collect relevant information, analyse general trends and risks and produce periodic reports; and (c) analytical reporting on the use of non-staff is provided to the governing/legislative body, as part of a regular agenda item for the monitoring and oversight of the total workforce of the organization.

[13] See General Assembly resolutions 51/243, 57/281 B, 57/305, 59/266, 60/266, 61/244, 61/276 and 65/247 on, inter alia, the engagement of consultants, individual contractors, gratis personnel and retired staff.

77. The Inspectors believe that there is a need for standardized and periodic reporting by organizations on the use of non-staff. The reports can include the following elements: (a) the level/number and cost of non-staff used; (b) the weight and trend of non-staff as a proportion of the total workforce at the global, country and department/programme levels; (c) a breakdown of non-staff contracts by location and departments; (d) statistics on waivers of non-staff rules and other related exceptions; (e) the average duration of non-staff contracts by category and location; (f) the number/level of non-staff working for more than one year in the organization and their areas of work and locations; (g) geographical diversity and gender balance; (h) a breakdown and analysis of contracts by remuneration levels; and (i) a historical analysis of information and possible risks.

78. The implementation of the recommendations below will enhance transparency and accountability (recommendation 3), and controls and compliance (recommendations 4 and 5).

Recommendation 3: The executive heads of the United Nations system organizations should review the use of non-staff personnel with a view to identifying long-serving non-staff personnel under a de facto employment relationship and establish a plan (short- to medium-term) to terminate the inappropriate prolonged use of non-staff personnel. The plan, including resources required, should be presented to the legislative/governing bodies for endorsement and provision of the necessary financial support.

Recommendation 4: The executive heads of the United Nations system organizations should strengthen their internal monitoring, control and oversight of the use of non-staff personnel, through the sustained application of effective internal control mechanisms, systematic corporate monitoring and information/data collection, analysis and audits. They should ensure that a central department/unit at the corporate level is held responsible for global monitoring, analysis and reporting on the issue.

Recommendation 5: The executive heads of the United Nations system organizations should ensure periodic analytical reporting both internally (to senior management) and externally (to the respective governing body) on the use of non-staff personnel in their organizations. Such reports should include detailed data and analysis on the use of non-staff, including the number of non-staff and associated expenditure, their weight in the total workforce, the breakdown of contractual modalities and the areas and locations used, the developing trends and the potential risks and corresponding measures.

III. NON-STAFF POLICIES AND CONTRACTUAL MODALITIES

A. Lack of strategy and framework for the use of non-staff personnel

Key finding: *There is no system-wide framework, contract modality or harmonization for the use of non-staff personnel. This has resulted in the development of fragmented policies and contractual modalities across the system.*

79. The 2005 International Civil Service Commission contractual framework[14] regrouped contractual arrangements for staff under three broad categories: continuing (open-ended), fixed-term (one to five years) and temporary (less than one year). The framework distinguishes between functions of a regular and continuing nature and functions required by the organizations of the United Nations system for a short-term period to meet specific needs.

80. Using the ICSC survey carried out in 2012, the organizations provided feedback on their experience with the ICSC contractual framework. According to the report of ICSC for 2012 (A/67/30), of the 19 organizations that responded, 16 said that the framework had met their needs and two indicated that it had done so "for the most part". Only one organization that had implemented the framework reported that it had not met its needs and suggested that the framework should allow individuals to be engaged, under certain circumstances, for up to three months to cover staff functions during temporary absences, but on a non-staff contract.

81. The ICSC framework does not include any provisions for non-staff personnel, given that the Commission only deals with issues relevant to the International Civil Service, and non-staff personnel are not considered part of it; therefore, the Commission is not involved in reviewing or monitoring contracts granted to non-staff personnel. The lack of a system-wide framework for the use of non-staff personnel has resulted in organizations having developed their own specific policies and contractual modalities. Furthermore, organizations have not developed corporate strategies for the use of non-staff personnel and implementation is often reactive and driven by costs and time pressures.

82. Most organizations have individually and separately developed specific policy documents and relevant contractual arrangements for certain categories of non-staff personnel. However, in some organizations, these, in varying degrees, focus on specific categories only, or are vague and fragmented in different documents, such as bulletins, administrative instructions or human resources manuals. Furthermore, existing policies and guidelines are often generic and do not provide clear practical guidance for proper implementation.

Use of non-staff personnel to replace staff on leave and delivery of laissez-passer to non-staff

83. There are often inconsistencies among the policies of organizations with respect to non-staff. For instance, there is no shared understanding across the United Nations system regarding the use of non-staff contracts to replace regular staff on different types of leave or to perform staff functions for short periods. Some organizations, for example, ILO, IAEA and UNDP, as reflected in their respective policy documents, do not allow non-staff to replace staff members, including leave replacements or unexpected vacancies, while others allow the hiring of non-staff personnel provisionally to fill vacant posts, provide cover for diverse types of staff leave or provide assistance during peak periods of heavy

[14] The General Assembly approved the new contractual arrangements effective 1 July 2009, as set out in its resolution 62/248 and subject to the provisions of resolution 63/250.

workload or during meetings. This is the case of temporary employees at the International Maritime Organization (IMO) or individual contractors at the United Nations Secretariat. The International Civil Aviation Authority (ICAO), FAO, ITU and UNESCO also allow non-staff individuals to replace and/or supplement regular staff undertaking the same or similar types of functions.

84. At the United Nations Secretariat, individual contractors can be used for staff functions, despite being on a non-staff contract. The work assigned to individual contractors may involve full-time or part-time functions similar to those of staff members, such as the provision of translation, editing, language training, public information, secretarial or clerical and part-time maintenance services or other functions that could be performed by staff.[15]

85. Another example of policy inconsistency from a system-wide perspective is the treatment of consultants while on official travel. Given that consultants are neither staff members nor officials for the purpose of the Convention on the Privileges and Immunities of the United Nations, most of the organizations grant them, when on official travel, the status of "experts on mission" in the sense of section 22 of article VI of the Convention, and provide consultants/experts with a United Nations certificate in accordance with section 26 article VII of the Convention. At WFP, according to its human resources directive on consultancy management, consultants may be issued a United Nations certificate for appointments of three months or less or a laissez-passer for appointments of three months or more.[16] At FAO, consultants, with an appointment of less than six months, are eligible to receive a United Nations certificate; those with an appointment of six months or more are eligible to receive a laissez-passer.[17]

86. It should be noted that, under article VI, section 18 of the Convention on the Privileges and Immunities of the Specialized Agencies, each specialized agency is to designate the categories of officials who are eligible to receive a laissez-passer. The categories of persons employed by or affiliated with the United Nations who are not normally entitled to receive a laissez-passer include consultants, experts and individual contractors. However, according to section I. B. of the Guide to the Issuance of United Nations Travel Documents,[18] if they meet specific eligibility criteria, they may be issued a United Nations certificate.

Non-staff who perform managerial functions

87. Relevant policies in most of the United Nations system organizations include provisions to prevent the engagement of non-staff personnel for managerial, supervisory, representative or decision-making functions. However, this is not the case for all organizations. For example, ITU does not place any limitations in this respect; FAO allows consultants to undertake day-to-day management functions, for example, the approval of leave and daily supervision of staff. They are, however, not allowed to act in a managerial capacity in relation to personnel matters, such as individual performance evaluations or recommendations for the extension or conversion of appointments. At UNDP, non-staff engaged under service contracts cannot supervise UNDP staff; however, they may supervise another service contract holder depending on the nature of their functions. During interviews, non-staff personnel sometimes complained that, although they have managerial and supervisory responsibilities, they do not have an

[15] See ST/AI/2013/4.

[16] World Food Programme (WFP), Human Resources Manual, Section III.2/Consultants 2.2 (e), Human Resources Directive HR/2000/001, 26 April 2000.

[17] FAO Administrative Manual, Chapter III, Personnel/Section 317/Consultants, 26 November 2002.

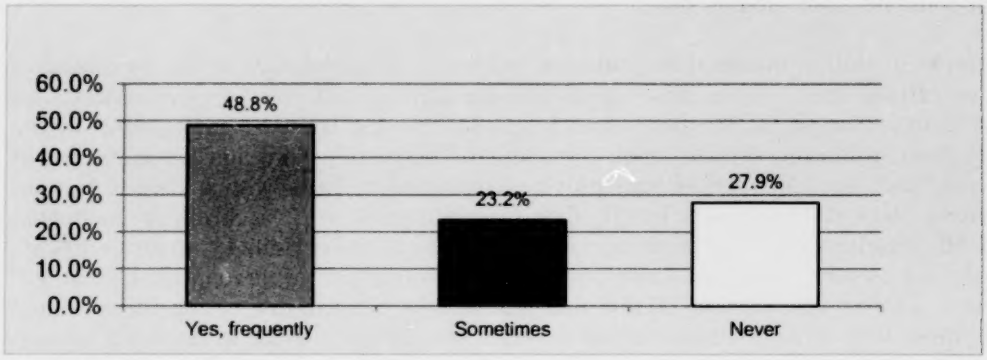
[18] Available from https://info.undp.org/global/documents/hr/Guide-to-the-Issuance-of-UN-Travel-Documents.pdf.

index number and are not allowed access to ERP systems in most organizations. However, some organizations allow them access to ERP systems in particular situations.

88. As shown in figure V below, 72 per cent of non-staff personnel declared that they performed managerial responsibilities, for example, project or programme management or coordination, either frequently or sometimes.

Figure V

Managerial responsibilities of non-staff (survey responses, excluding United Nations Volunteers responses)



Source: JIU non-staff survey.

Uncertainty on when to use staff or non-staff contracts: need for practical guidelines

Key finding: *There is a considerable degree of uncertainty with regard to conditions for the use of a staff or non-staff contract.*

89. It should be noted that short-term regular staff holding contracts of six months or longer are entitled to be paid on a monthly basis and are usually entitled to annual leave, sick leave and participation in the United Nations Joint Staff Pension Fund. In the case of non-staff, some contracts do not provide any entitlements, while other types of non-staff contracts do provide limited entitlements, such as annual leave and medical insurance (see annex III). The extent and the multiplicity of contractual arrangements available in certain cases create some confusion. Comments received from managers of some organizations indicated that there was a considerable degree of uncertainty as to whether to grant a short-term appointment conferring the status of staff member, or to hire non-staff individuals who would serve under different short-term contractual arrangements that would not grant the same privileges. Furthermore, managers of the organizations where multiple non-staff contractual modalities are used expressed difficulty in choosing among those modalities. This indicates the need for consolidated practical guidelines on when and how to use non-staff contracts.

90. One good approach is the one taken by ILO, where the external collaboration contract is the only non-staff contractual arrangement used for the provision of individual services outside of the employment relationship. External collaboration contracts are intended exclusively for short-term activities and are output-oriented, as all other possibilities are covered by staff contracts (short-term, fixed-term or without limit of time). The Inspectors would like to indicate that the performance of functions of the same or similar nature as those performed by regular staff implies the existence of an

employment relationship and consequently demands the granting of staff contracts, even if for short-term periods; the contrary can be considered as discriminatory employment practices. There are no solid legal grounds to award different contracts, with substantially different benefits, to individuals performing the same or similar types of work. It is not in line with widely accepted labour principles of equal pay for equal work.

91. The contractual tools for the proper recruitment of personnel are currently available, as contained in the ICSC framework, which indeed provides for temporary short-term staff contracts (less than one year) to cover temporary needs. The purpose of the temporary appointment is to enable organizations to effectively manage their short-term staffing needs. As stated in General Assembly resolution 63/250, temporary appointments are to be used to appoint staff for seasonal or peak workloads and specific short-term requirements for less than one year but could be renewed for up to one additional year when warranted by surge requirements and operational needs related to field operations and special projects with finite mandates. If organizations believe that the current staff contractual modalities do not meet their needs, they should work with ICSC on the development of proper staff contractual modalities rather than using non-staff contracts improperly.

92. Organizations should also have flexible financial instruments that allow the establishment of temporary positions adequate for the hiring of short-term staff through the use of temporary funding mechanisms (for example, general temporary assistance at the United Nations Secretariat). Normally, country and programme managers should have a reasonable level of delegation of authority for the use of these funding instruments, allowing them to hire staff locally without the restrictions associated with the establishment of regular staff posts, which usually require approval by headquarters.

93. The implementation of the recommendation below will enhance controls and compliance.

Recommendation 6: The executive heads of the United Nations system organizations should ensure that updated and consolidated practical guidelines on the use of non-staff personnel are in place to guide managers involved in decision-making on the use of non-staff contractual modalities.

B. Non-staff contractual modalities and associated social benefits

Key finding: *Organizations have multiple types of non-staff contracts with different associated social benefits without a clear rational basis in the context of good labour practices.*

Key finding: *Non-staff contract modalities and associated benefits differ significantly across United Nations system organizations.*

94. Annex III to the present report contains a list of non-staff personnel contracts used by organizations and associated entitlements. Most organizations use at least two different types of non-staff contracts and some use four or five different types. The only exception is ILO, where all types of non-staff personnel are defined as "external collaborators" (one category and one contract). UNOPS, with its individual contractor agreement, and UNIDO, with its individual service agreement,

follow a similar approach. However, individual contractor agreement contracts and individual service agreement contracts are both further subdivided into "national" and "international", providing slightly different entitlements. Other organizations use multiple arrangements that are not immediately classifiable, such as supernumerary contracts, special service agreements, service contracts and individual consultants/specialists.

95. The current number of non-staff contracts used by organizations across the system seems disproportionate; there are more than 30 non-staff contractual modalities currently used by organizations, as indicated in annex III. It should be noted that terminology is frequently confusing from a system-wide perspective, given that most of the contractual modalities are not substantially different. Some organizations use contractual arrangements already developed by other system organizations, in certain cases with minor modifications.

96. Despite each organization having created or adapted its own non-staff contractual modalities, some similarities can be found among certain types of non-staff contracts. In general, current non-staff contractual modalities can be clustered into two major groups: (a) non-staff contracts that entail an independent contractual relationship – in the present report, for ease of reference, these are referred to as **"consultancy-type" contracts**. These contracts, in general, include a lump-sum or daily fee payment with no or very limited social benefits; and (b) non-staff contracts used under a de facto employment relationship to carry out "staff" work – for ease of reference, these are referred to as **"service-type" contracts.** These contracts, depending on the organization, provide a range of social benefits that are characteristic of an employment relationship. Organizations frequently use service-type contracts for the hiring of personnel performing functions that are the same as or similar to those of staff and, in recognition, provide some entitlements, such as annual leave, sick leave, medical insurance and maternity leave.

(a) Consultancy-type contracts

97. Consultancy-type contracts rarely include any entitlements, just a lump-sum payment. In general, these contracts are used when special expertise is required to deliver time- and deliverable-bound outputs or services. Examples of consultancy services include the development of a concept note or advisory report, the preparation of a project document, the moderation of a workshop or the rendering of strategic technical advice. Most organizations have specific contracts for these kinds of functions/services. Some call them consultancy contracts (for example, WFP, UNESCO, FAO, UNFPA, UNHCR, the United Nations Children's Fund (UNICEF) and WHO) while others use different names, such as external collaboration (ILO), individual contractors (UNDP) or individual contractor agreement–international (UNOPS). It should be noted that most organizations use human resources processes to hire consultants except UNDP and UNICEF, which use competitive procurement processes to hire consultants, hence bidding is required.

Social benefits provided with consultancy-type contracts

98. As seen in annex III, most organizations provide similar minimum contractual conditions for this type of contract. However, there are small differences. For example, consultants are covered under the terms of the malicious acts insurance policy[19] in most of the organizations; ILO, however, does not provide such coverage for external collaboration contracts. It should be noted that this policy is an

[19] The malicious acts insurance policy provides coverage to different categories of individuals. Category 1 provides coverage, inter alia, to other members of the workforce internationally recruited (that is, consultants and other non-staff personnel); category 2 covers, inter alia, other members of the workforce locally recruited; and category 3 covers non-staff while on mission and/or travel.

example of inter-agency cooperation based on the adherence of all United Nations system organizations to common security guidelines and procedures. Thus, in the view of the Inspectors, it is necessary to take a common approach to its implementation; **they recommend those organizations that do not yet provide consultants or any other type of non-staff with coverage under the policy to review their respective policies.** UNOPS individual contractor agreement–international contracts and UNIDO individual service agreement–international contracts provide annual and sick leave, while most other organizations do not. Considering that consultants are independent contractors and provided that they are used as independent contractors in practice, it is logical not to provide any social benefits except those provided under the malicious acts insurance policy.

99. The consultancy-type contract, if properly used, is not representative of an employment relationship. Consultants are independent contractors. However, the Inspectors observed during their field missions that it is sometimes misused and applied in situations where the existence of an employment relationship demands the use of staff contracts.

(b) Service-type contracts

100. Service-type contracts that are given under a de facto employment relationship are frequently used to hire non-staff to perform staff-type work for extended periods with or without breaks. For this contract type, organizations have different names, such as individual contractor contracts at the United Nations Secretariat, UNICEF and UNHCR; service contracts at UNDP, WFP and UNFPA; national project personnel contracts and personal services agreements at FAO; service contracts and special service agreements at UNESCO and WHO; individual contractor agreements–local at UNOPS; and the individual service agreements–local support personnel at UNIDO. To simplify, the present review will use the term "service-type contracts" for all non-staff contractual arrangements characterized by a de facto employment relationship. These contracts usually include a variable basic package of associated entitlements, sometimes following local labour market conditions and designed for the hiring of non-staff individuals for relatively extended periods of time.

101. UNDP uses its service contract modality for local recruitment. The service contract is not for use at headquarters duty stations or liaison offices. UNDP policy is to use this contract modality for non-core support services that would normally be outsourced to a company, such as custodial, security and information technology services, and for development project personnel to support execution or implementation. This service contract modality, slightly modified in certain cases, is also widely used by UNFPA, UN-Women, WFP and UNESCO.

102. In the Inspectors' view, service-type contracts are characteristic of an employment relationship and, as discussed above, staff contracts, whether fixed or short-term, should be used instead. In practice, through the wide use of service-type contracts, a new category of parallel workforce is being created in the United Nations system.

Social benefits provided with service-type contracts

103. These contracts offer, to a varying degree, a set of entitlements, such as annual and sick leave, health insurance and maternity and/or paternity leave. Entitlements vary across organizations (see annex III). In many organizations, these contracts offer better social benefits than consultancy-type contracts, in recognition of the fact that they are for staff-type work. Some entitlements are intended to be consistent with what is required in the local labour market for similar services. The Inspectors would like to make it clear that, from the perspective of good labour practices, as long as non-staff are used in the short term as independent contractors without an employer-employee relationship, there is no need

for the provision of social benefits, except those provided under the malicious acts insurance policy. However, major problems arise when a person is used in the same way as staff, that is, with an employer-employee relationship and for extended periods, only with a non-staff contract instead of a staff contract. In this case, the provision of some social benefits alleviates the unfairness but does not solve it.

104. In general, service contracts (at UNDP, WFP and UNFPA) and individual contractor agreements (at UNOPS) offer better conditions, including annual leave, sick leave, medical insurance and maternity leave, while individual contractor contracts at the United Nations Secretariat, UNICEF and UNHCR provide none of those benefits. In general, FAO policy for national project personnel contracts in the field is to follow local labour laws in terms of annual, sick and maternity leave. Most organizations do not provide a pension scheme, despite being required to do so by local labour law. They claim that they include a lump-sum amount in the salary for that purpose, which does not make sense in terms of labour principles.

105. The individual contractor contract used at the United Nations Secretariat does not provide any entitlement, despite being used for the hiring of individuals to perform functions that are the same as or similar to those performed by staff, and for long periods, as observed in peacekeeping operations. Likewise, UNICEF, using the same contractual modality, does not provide social benefits to individual contractors. FAO uses two different types of contract as a service contract type: the personal services agreement and the national project personnel contract. Managers interviewed often expressed their confusion when choosing between these contracts. There are some social benefit differences between the two contracts; for example, while national project personnel contracts provide maternity leave, personal services agreements do not.

106. Annual and sick leave benefits are the most common for these types of contract, followed by medical insurance and maternity leave. In total, 77.4 per cent of non-staff survey respondents declared that they had medical insurance from their respective organizations. With respect to health insurance for dependents, WFP special service agreements and service contracts include them and UNDP has, effective 1 January 2014, made this option available to its service contract holders. Most organizations do not offer retirement pension benefits. Usually, organizations claim that it is included in the lump sum payments, when, in reality, the amount is too small and not in line with good labour practices owing to its lump-sum character rather than being a long-term scheme. Only UNDP and WFP arranged for local pension schemes in a limited number of countries for their service contract holders. UNDP indicated that conditions of service with regard to pension were highly dependent on the local context. Where participation in local schemes by service contract holders is possible, UNDP includes an amount for pension purposes as a lump-sum option.

107. As mentioned above, organizations provide different contracts and different benefits for similar work at the same locations. This reflects a lack of harmonization, cooperation and communication between organizations and should be addressed as a priority. Some service contract modalities provide very similar benefits to staff contracts, the biggest difference being the retirement pension benefit and the application of staff rules and regulations. This may imply that organizations are willing to provide similar social benefits to non-staff as to regular staff, but prefer to avoid applying staff regulations and long-term liabilities and retain flexibility, including easy hiring and firing and the ability to set remuneration scales.

Survey results: satisfaction on entitlements and provision of pension funds

108. Associated entitlements are an important factor in a contract. To confirm this point, table 3 below reflects the level of satisfaction of respondents to the non-staff survey with the different aspects of their respective engagements. It should be noted that the highest level of dissatisfaction regarding non-staff contractual arrangements is related to entitlements, with 47 per cent of respondents either partially or fully dissatisfied.

Table 3
Non-staff satisfaction survey responses (percentage)

	Satisfied	Partially satisfied	Partially dissatisfied	Dissatisfied	No opinion
Duration of contracts	28	**36**	12	22	2
Entitlements	19	27	12	**35**	7
Functions performed	**54**	31	8	5	2
Salary received	26	**36**	13	23	2

Source: JIU non-staff survey.

109. Many non-staff personnel work for many years in the United Nations system organizations. The absence of pension schemes threatens their future welfare. When asked in the non-staff survey whether they had a pension scheme, 85.8 per cent replied "no". The remainder stated that they received pension benefits through their organization (6.9 per cent), government (3.7 per cent) or by other means (3.6 per cent). Considering that 85.3 per cent of survey respondents are 30 years old and above, the absence of pension schemes is an important problem. The fact that non-staff value these entitlements is evident: when asked if they would be willing for their organization to offer such benefits by withholding part of their earnings, thus reducing their net salary payments, 66 per cent of non-staff respondents answered "yes", while 21.4 per cent answered "no".

110. Indeed, during the interviews, non-staff personnel often complained that they could lose their job at any time and did not have any safety net, such as a pension or separation payment or other kind of lump-sum payment that could sustain them for a while until they found another job. Some organizations open an account in a local bank for non-staff and place a percentage of remuneration into an account until the non-staff leave the organization, at which point they are eligible to withdraw the money. During the interviews, non-staff stated their preference for that kind of arrangement, instead of receiving all remuneration in cash. UNOPS informed the Inspectors that it had recently started a provident fund arrangement as a savings scheme at the global level for all non-staff (see box below).

UNOPS provident fund for individual contractor agreement–local staff

In October 2014, a savings scheme was introduced by UNOPS for individual contractor agreement–local staff, whereby agreement holders contribute 7.5 per cent of the monthly fee and UNOPS contributes 15 per cent. The fund is managed by an external service provider. The scheme is mandatory for all local individual contractor agreement holders who have regular contracts, that is, contracts for more than three months (not short-term consultants or retainers). There are plans to extend the scheme on a voluntary basis to individual contractor agreement–international staff and regular staff. Contributions are made in dollars and, given that the fund is managed externally, UNOPS does not carry any liability. However, it has committed to paying all administrative fees for the management of the fund. Upon leaving UNOPS, individuals may choose to defer the withdrawal of their contributions for a period of up to six months, in case they return to UNOPS or become regular staff members during that period.

Training

111. Organizations provide training opportunities to their long-serving non-staff but this is not systematic or part of a training policy. According to the non-staff survey, 59 per cent of respondents received training. During interviews, non-staff sometimes complained that, although they were doing the same or similar jobs, they received fewer training opportunities than regular staff. In particular, where training must be paid for per participant by the organization, it is mostly staff who are allowed to participate. Again, if non-staff were used as short-term independent contractors, as they should be, then training would be unnecessary, because non-staff should be hired for the expertise they already have. Given that non-staff are used like staff, it would be fair to allow them, particularly long-serving individuals, to receive training. It would be an investment by the organization to improve their job performance.

C. United Nations Volunteers

112. The UNV programme was established by the General Assembly in its resolution 2659 (XXV) to deploy UNVs rather than as a contractual modality. The UNV programme contributes to peace and development through volunteerism worldwide. Therefore, UNVs are, by the nature of their engagement, not employed in the same way as a consultant or other non-staff contractor. They receive a volunteer living allowance rather than a salary. UNV headquarters indicates that the benefits of using UNVs include access to expertise and an extensive roster; the flexibility, speed and ability to recruit people with a range of functions and in large volumes; a built-in human resources management structure that lessens administrative burdens for partners; the ability to engage global citizens and add to the diversity of personnel; the promotion of volunteerism for peace and development; and the transfer of knowledge.

113. With field units in 86 countries, the programme is represented worldwide through the offices of UNDP and reports to its Executive Board. Given the voluntary nature of the programme, UNVs are not considered regular staff of the United Nations; however, they often carry out regular staff work.

114. The review found that, in some organizations and in some locations, UNVs were becoming a significant part of the professional workforce. The use of UNVs is part of workforce planning in peacekeeping operations: approximately 200 UNVs work at MINUSTAH, representing one third of the total Professional staff; and approximately 560 UNVs work at MONUSCO (as of March 2013), representing about half of the total international staff. In interviews, managers indicated that UNVs performed the same or similar types of functions as regular staff; however, their associated costs were considerably lower.

115. UNVs are employed in different areas. For instance, at MINUSTAH, they work in substantive areas (that is, related to the mission mandate, such as human rights or civil affairs) as well as in support areas, like administration and technical services, including security. The Inspectors were informed that UNVs sometimes performed supervisory functions (UNHCR), contrary to regulations, but the lack of international staff was forcing some units to use UNVs in managerial positions. They also acted in certain cases as "officers-in-charge" to replace international staff on leave.

116. Despite the voluntary nature of their assignment, many UNVs are relatively young (their average age is 39) or do not have the profile of persons who are at the end of their career and want to provide their already accumulated experience and expertise. Many UNVs see their assignment as a possible path to a future United Nations staff career. In peacekeeping operations, UNVs can serve in the same

duty station for up to six years and have to break service for six months in order to apply for United Nations staff posts in the same duty station. Some managers, as well as UNVs, expressed their dissatisfaction with this rule. It should be noted that this limitation is not in place if they apply to another mission. In contrast, UNVs in UNHCR can apply for vacant positions without any break requirement.

117. UNVs interviewed expressed dissatisfaction and demotivation with respect to the fact that they performed the same tasks as, and in some cases had higher qualifications than, international and/or national staff who received higher remuneration and better entitlements. UNVs, in particular local UNVs, complained that there was no systematic approach used to determine and adjust their remuneration. Indeed, in India, the determination of UNV remuneration was disorganized, and often local inflationary conditions were not taken into consideration. **There is a need for organizations, in cooperation with UNV headquarters, to facilitate the establishment of a periodic review and adjustment mechanisms for the remuneration of UNVs.** UNVs often feel discriminated against when compared with international staff and sometimes even when compared with national staff. UNV headquarters informed the Inspectors that it had been working on strengthening the methodology for determining levels of UNV living allowances.

118. The significant use of UNVs raises the unavoidable question whether this is in line with the main purpose of the UNV programme. During field missions, the information gathered from interviews reflected that, in many cases, the assignment of UNVs was considered more of a job opportunity than an act of volunteerism. Managers interviewed stated that UNV positions could be established relatively easily by the country office without struggling to get regular staff positions from headquarters. UNVs were considered part of the professional workforce but with fewer entitlements. This might risk creating a dual workforce with different entitlements, rather than promoting volunteerism.

119. In the view of the Inspectors, those United Nations system organizations that make significant use of UNVs should review their practice in line with the purpose of the UNV programme and good labour practices. **As UNVs work for many years side by side with staff, it would be fair to allow them to apply for vacant staff positions as internal candidates.**[20] **The UNV Volunteer Living Allowance and related entitlements should be determined in a systematic and rational way, taking into account local living conditions and staff salary adjustments.**

D. Outsourcing practices

120. The present review does not include an analysis of outsourcing practices; however, since outsourcing services can sometimes be an alternative to using individual non-staff contracts, the review needs to draw attention to the conditions of individuals who work on the premises of the organizations for third-party outsourcing companies. Interviewees reported that organizations, for various reasons, including the avoidance of administrative issues (staff and non-staff regulations) and reducing costs, increasingly considered outsourcing services. Through outsourcing, organizations claim to reduce their administrative burden, for example, by having only one contract with a company instead of many individual contracts, with the associated issues of duration, renewal and entitlements.

121. Managers interviewed indicated that, in a peacekeeping context, the recourse to outsourcing services to local companies is not a viable option, as these either do not exist, or in some cases are not

[20] UNICEF indicated that all candidates (internal and external) were allowed to apply at the same time.

reliable. MINUSTAH management indicated that attempts to outsource certain services locally had failed. However, they outsourced information technology services through a headquarters system contract. UNOPS outsourced cleaning services; WFP outsourced cleaning and gardening; UNHCR outsourced cleaning, gardening and air-conditioning services. In the Democratic Republic of the Congo, MONUSCO has outsourced certain activities, such as facilities management and cleaning services, and WFP outsourced cleaning and security services.

122. Without a rational and well-thought-out policy there is a possibility that outsourcing practices can create risks for the organizations. Outsourcing should not be used to avoid staff regulations or to reduce costs at the expense of unfair labour practices under outsourcing companies. Some employees of outsourcing companies stated in interviews that, for several years, they had had no annual or sick leave benefits. It was only after the intervention of concerned officials in the organizations that such leave was granted. Some managers informed the Inspectors that the absence of corporate policies to ensure or monitor that individuals who work on organizational premises received a decent salary and benefits creates, apart from the reputational risk, vulnerability for organizations, particularly in security outsourcing.

123. The Inspectors would like to highlight that organizations should not avoid their responsibility to ensure the proper and fair treatment of individuals who work on their premises. Therefore, in accordance with the values upheld by the United Nations system, such as decent work, it would be appropriate to require the inclusion of minimum standards in outsourcing contracts. Compliance with those standards would need to be regularly monitored.

124. The implementation of the recommendation below would enhance controls and compliance.

Recommendation 7: The executive heads of the United Nations system organizations should ensure that individuals working for the organization under third-party/outsourcing contracts have decent working conditions, including a fair salary and social benefits and entitlements.

IV. MANAGEMENT OF NON-STAFF PERSONNEL

A. Selection and recruitment

Key finding: *The administration of non-staff personnel is highly uneven and depends heavily on the quality of local management, in particular of hiring managers, and on the support and oversight provided by human resources management sections.*

125. In most organizations, the recruitment and selection process is driven by hiring units, human resources management units having a supporting and, to a varying degree, overseeing role. In certain cases, depending on the contractual modality used, in particular for consultancy-type contracts, the hiring of services is managed through procurement units, for example, UNDP for its individual contracts. The level of delegation of authority to field units for the hiring of non-staff personnel is substantial; however, organizations require the intervention of central review panels/committees when established financial thresholds are surpassed, for example, UNOPS individual contractor agreement contracts[21] and UNDP service contracts.[22]

126. Field offices have considerable flexibility and options in circulating or advertising vacancies. They may also maintain rosters of candidates. UNDP classifies potential candidates for its service contracts using 11 levels, grouped in five different ranges. For lower ranges, the UNDP offices may use a central roster of candidates and post the job vacancy with local United Nations entities and, if necessary, in the local media. For higher ranges, all three options are used: the UNDP office establishes an ad hoc panel for selecting the best-qualified candidate and a minimum of three candidates are interviewed.

127. The United Nations Secretariat does not have an advertisement policy linked to contract duration except for consultancy contracts of more than six months. At ILO and WHO, the hiring of non-staff personnel is decentralized to hiring managers. A selection report is approved by the hiring manager and approving officer. In general, organizations require that several qualified candidates be considered for each assignment. At FAO, in the case of consultancy/personal services agreement assignments of a long duration, that is, over six months, recruiting units are strongly encouraged to consider advertising the assignment.

128. It is clear that the respective hiring units are best suited to determine the services required and to prepare corresponding terms of reference. Hiring managers play an important role in the recruitment and selection process. However, hiring units and programme managers are not human resources specialists and frequently have no clear criteria to determine what type of contract to use. Furthermore, they are often subject to urgent needs to deliver.

129. The Inspectors have noted that, although recruitment processes include some competition elements, for example, at least three candidates are considered for selection, they are often viewed as bureaucratic elements that slow recruitment. It is a fact that non-staff, particularly consultants, are required at short notice and supposedly for short-term periods. This situation necessitates a simplified recruitment process. However, when non-staff become an integral part of the total workforce and work

[21] Individual contractor agreement contracts of more than $100,000 annualized contract value require the review of the Headquarters Contracts and Property Committee.

[22] Any service contract expected to cost $100,000 or more in the life of a contract must be submitted to the Headquarters Advisory Committee on Procurement or the Regional Advisory Committee on Procurement for appropriate clearance.

for many years in organizations, it becomes clear that established staff rules and regulations are circumvented through the use of non-staff contracts and rendered meaningless. Therefore, organizations should consider the establishment of effective internal control and monitoring mechanisms for the recruitment of non-staff personnel, proportionate to their weight in the organizations. For example, this could include requiring the involvement of a human resources officer, the involvement of officials from two different sections in the recruitment process or the establishment of advertisement requirements and interview panels for non-staff recruitments of significant value or duration.

Responsibility of hiring managers

130. The Inspectors were informed in interviews with hiring managers that the decision as to whether to grant a staff or a non-staff contract was frequently conditioned by practical limitations in the field and driven by urgent needs not always directly related to the nature or length of the functions to be undertaken. Frequently, pressing needs to deliver, financial constraints, urgency and/or the lack of comprehensive guidance on when to use each different type of contract often lead managers to choose the easiest or the most flexible option.

131. The responsibility of the hiring manager, direct supervisor and/or respective authorizing officers at the field level is recognized by many organizations in guidelines issued to facilitate the use of contractual arrangements. However, regarding the role of human resources personnel or other checks and balances in the process, there are weaknesses in practice. For instance in ILO, no reviewing nor overseeing role is performed by human resources management or any other unit, although in certain locations human resources officers have voluntarily taken the initiative locally to pre-screen external collaboration contracts to prevent misuse. In the case of FAO, officials explained that the recruitment of local non-staff human resources is delegated to hiring managers, but the human resources management office has the authority to verify contract types, duration, remuneration levels and mandatory breaks. The Inspectors believe that human resources units/offices should be able to verify that the contract type and relevant conditions proposed by hiring units are in agreement with organizational policies and the intended use of the proposed contractual modality.

132. UNDP, in its guidance document for the individual contract modality,[23] stated that the UNDP manager who approves the individual contract shall be accountable for its proper use. Under no circumstances shall an individual contractor be used for functions normally performed by a member of staff, nor should it be used to replace a staff member who is on any form of absence for any period of time. These functions should be carried out under staff contracts, such as the temporary appointment or the fixed-term appointment.

133. Along the same lines, the United Nations Secretariat stipulates in its administrative instruction on consultants and individual contractors (ST/AI/2013/4) that, where an individual contractor is temporarily engaged to perform duties and functions similar to those of a staff member, a clear strategy is in place for a long-term regular staffing solution. This same statement can be found in the relevant UNICEF administrative instruction on consultants and individual contractors. However, as explained in previous sections, these prerequisites are rarely followed in practice, and individual contractors have been found to stay on short-term non-staff contracts for extended periods of time without any prospects of a long-term solution.

[23] Available from www.un.cv/files/GUIDELINES%20on%20Individual%20Contract%20-%208%20December.pdf.

134. The Inspectors conclude that the administration of non-staff personnel is highly uneven and depends heavily on the quality of local management, in particular of hiring managers, and on the support and oversight provided by human resources management sections.

Gender balance

135. When non-staff personnel are hired for short periods and to produce very specific deliverables, it would be reasonable to have simple recruitment conditions that do not require the same elements as staff recruitment procedures. However, non-staff have currently become a significant part of the workforce in some organizations and the majority in others. As such, policies that require gender balance for staff are rendered meaningless if there is no such policy for the non-staff who have worked alongside them for many years.

136. While most organizations have a gender balance policy, it is not applicable to non-staff. Some organizations, namely, the United Nations Secretariat, UNDP, UNFPA, UNESCO and FAO, have included general gender balance clauses for the selection of some non-staff contractual modalities, mainly for consultants. However, these are just very general statements; no associated targets could be determined and there is no systematic monitoring to ensure compliance. While organizations responding to the corporate questionnaire indicated that due regard is given to this issue in practice, there is no written policy and it is left to the discretion of managers. Most organizations do not maintain statistics on this issue, making analysis impossible. However, there was a striking gender imbalance in the respondents to the non-staff survey, who were 80 per cent male.

137. It is important to point out that the mandates, activities and programmes of most organizations are development-oriented. In this context, the promotion and recruitment of women as part of capacity development are important and should be considered a step towards the achievement of overarching organizational goals. Hence, the Inspectors strongly recommend, particularly as long as non-staff make up a significant part of the total workforce, that gender balance policies be explicitly included in the recruitment of non-staff personnel.

138. The Inspectors would like to clarify that the geographical diversity of non-staff is not considered in the present review, which mainly focuses on local non-staff in the field. The geographic diversity of consultants was reviewed in a previous JIU report on consultancy (JIU/REP/2012/5).

B. Remuneration and salaries

Key finding: *The determination and adjustment of remuneration for non-staff personnel lack clear, consistent and rational mechanisms, and there are significant differences between organizations in the same location.*

139. The general principles that regulate the remuneration of non-staff personnel vary depending on the contractual modality used. The fees for consultancy-type contracts are frequently determined by scales/ranges established and revised centrally at the headquarters level. Fees are often considered as an "all-inclusive" amount without separate entitlements.

140. The following factors are generally decisive when determining consultancy fees: (a) the prevailing market conditions; (b) the complexity of the project, nature of duties and responsibilities involved; (c) the

qualifications and experience of the consultants; (d) the length of the assignment; (e) the funds available; and (f) the capacity to negotiate and the rates paid to other non-staff who perform similar functions. An external source providing information on how to do business with the United Nations[24] indicates that consultants from developed countries need to be aware that consultancies for the United Nations are not lucrative and that payments for consultants are generally on the low side compared with going rates paid by developed countries for similar work. The difficulty in recruiting high-level consultants was confirmed by hiring managers in the field, who indicated that, using current consultancy rates, it was not easy to hire qualified candidates in a specific field of expertise.

141. In UNDP, individual contractors are hired through procurement procedures based on competitive bidding and market rates. A similar approach has recently been taken by UNICEF, whereby requests for services under an individual contract normally require the consultant/individual contractor to indicate their fees, which should be guided by applicable market rates. The relevant policy on consultants and individual contractors also indicates that, to the extent possible, such levels should be discussed with other United Nations entities at the duty station. At UNOPS, the remuneration of individual contractor agreements–international is determined by headquarters. The base salary for an individual contractor agreement–international takes into account the level of the contract and the current market rate for similar roles, as well as the cost of living and hardship at the duty station. UNOPS has established fee ranges for the different levels of individual contractor agreement–international contracts, which reflect the range for fee setting applicable to all international individual consultants engaged in any location. Fees are negotiated directly with the individual contractor, taking into account these factors within the applicable fee ranges.

142. However, for service-type contracts, remuneration is determined on a different basis. Organizations using this type of contract make reference to prevailing local labour conditions and market rates for similar work and required skills and competencies when determining remuneration scales for non-staff; local salary scales developed by UNDP are often used by other agencies as a reference. UNDP bases its service-type contract remuneration on prevailing conditions found in the local labour market that it considers to be comprehensive, inclusive of the value of typical allowances and benefits that are found in the local labour market. It is based predominantly on prevailing conditions found among a set of comparator public sector and not-for-profit employers. While the inclusion of private sector employers is anticipated to ensure coverage of the range of services included in the service-type contract, private sector employers should constitute no more than one third of the employer sample. UNOPS informed the Inspectors that it had aligned its local individual contractor agreement fees/remunerations with the ICSC salary scales. UNESCO determines the remuneration of its service-type contracts and special service agreement contracts on the basis of prevailing local salary rates for similar functions and may use UNDP local salary scales.

143. FAO informed the Inspectors that its national project personnel had a different set of criteria, as the honorarium level must also be based on prevailing compensation (salary and fringe benefits) for comparable functions within the host country. Limited surveys may be carried out to determine the prevailing local conditions and in order to ensure consistency within the United Nations system. An additional amount of up to 10 per cent can be added for pension contributions for national project personnel in a national or private pension/social security scheme. In the case of locally recruited individual contractors hired by the United Nations Secretariat, the fees are normally determined by reference to the local salary scale. For job functions that are not included in the benchmark salary scale,

[24] Available from www.cinfo.ch/org/inhalte/private/download/Consulting-to-UN-org.pdf.

for example, manual labourers, the fees may be set by the local market rates or by common rates established by the United Nations country team.

144. The above examples clearly demonstrate that organizations give local management a considerable amount of flexibility to determine non-staff remuneration in field offices. In addition, organizational policies refer to consultations and/or information sharing among agencies at the country team level; however, this is not required. Non-staff personnel are not on the agenda of country team discussions and the results observed by the Inspectors in their field missions far from reflected the principle of equal pay for equal work. At non-staff focus-group meetings, the differences in remuneration were often pointed out and, among those non-staff who had worked in several organizations, UNOPS was seen as being the most generous. Thus, different remuneration levels result in competition among organizations for recruitment of qualified personnel.

145. The review reflects that there are considerable differences between non-staff contracts of different organizations in terms of remuneration levels and social benefits. In some instances, organizations use both their own non-staff contracts and engage with UNOPS to hire non-staff for their organizations. In these cases, since non-staff contracts are not harmonized, non-staff working side-by-side in the same place receive different entitlements owing to the different policies of contract providers.

Lack of taxation considerations

146. There is some confusion about taxation of non-staff salaries. During interviews in the field, some managers indicated that non-staff were exempt from taxation in the host country; however, non-staff denied this. In general, there is a lack of information and consideration of taxation in the calculation of non-staff remuneration. Considering that non-staff individuals are not staff members, hence not subject to staff assessment, their remuneration might be taxable unless there is a separate agreement with the host country government. The interviews reflected that, after tax income deductions, the net salaries of non-staff personnel are significantly lower and may not reflect a competitive remuneration level. In the case of UNDP, management reported that, when establishing service contract remuneration, it used the "gross" salary rates of the comparator employers and service contracts and explicitly mentioned that non-staff were personally responsible for any tax levied.

147. The Inspectors identified that in some locations, the private sector and non-governmental organizations (NGOs) have established structured salaries including different components and allowances, some of which are exempt of taxation, such as housing, education, commuting and health allowances. In the United Nations system organizations, there is no structured remuneration; hence, all remuneration becomes fully taxable. Furthermore, organizations do not explicitly consider the taxation element in the calculation of remuneration of non-staff. This situation affects non-staff negatively, if they have to declare their income. Interviewed NGO officials indicated that they explicitly considered the taxation component in the calculation of salary levels and also assisted non-staff in filing their tax returns.

148. In the view of the Inspectors, for those non-staff contractual modalities that make reference to equivalent local labour conditions when determining remuneration scales (that is, the service type of contracts), a common approach should be taken by all organizations present in a given location, preferably linking the salaries and conditions applied to non-staff personnel used by organizations to those of national staff whose salaries are commonly determined according to local conditions through ICSC surveys. It is also important that organizations consider the taxation element when determining remuneration levels and structure remuneration, including the tax-exempt components. The

harmonization of remuneration and benefits across the system must be addressed urgently system-wide. In particular, the harmonization of remuneration levels at the country level can be achieved through close inter-agency dialogue, which can be facilitated by the country team.

Non-staff seniority not recognized in remuneration and when applying to vacant staff positions

149. Most short-term contractual arrangements do not include any provisions for the revision of salary levels, precisely because of their short-term nature. However, when contracts intended to be for short-term use are used for extended periods, the revision of conditions becomes an issue. A major complaint from non-staff personnel working for United Nations entities for extended periods is the lack of recognition of seniority and relevant salary adjustments. Non-staff contracts are frequently renewed using the same terms of reference (with initial conditions and remuneration) to avoid new recruitment and administrative processes. Non-staff personnel interviewed indicated that they continued to receive the same salary, in real terms, for years, given that most of their contracts did not carry any associated revision clauses linked to annual increases in the cost of living, nor step/longevity recognition based on seniority.

150. In most cases, salary revisions only take place after a new survey of local market conditions is performed. However, such surveys are not done regularly, changes are not retroactive and new conditions, if applicable, are only applied for new contracts. In countries with high inflation rates, this issue is of particular importance. The cost of living adjustment (that is, inflation) for non-staff remuneration is not systematic. There is no established mechanism for adjusting non-staff remuneration. In addition, terms of reference frequently include a general clause for the work to be done, such as "any other related work", which allows managers to use non-staff for any other work not explicitly indicated in the terms of reference. It is not rare to find non-staff performing other functions than those stipulated in the initial contract. Out of the non-staff survey respondents, 23 per cent indicated that they did so "frequently", while 20 per cent indicated "sometimes".

151. Some organizations have introduced a bonus payment scheme for service contracts based on individual performance assessment. For instance, UNDP and UN-Women provide a performance bonus of up to 3 per cent of salary based on performance and recommendation by the supervisor. FAO rules stipulate that "an adjustment mechanism may be applied to protect the original value of compensation. Among the mechanisms which should be considered is the application of the local Consumer Price Index or other widely accepted and reliable local indicator".[25] While these discretionary mechanisms are helpful, they do not resolve the issue. Exceptionally, WHO-India indicated that it already applied systematically the same system for recognizing seniority and adjusting non-staff remuneration as applicable to national staff.

152. In addition, the seniority of non-staff is not recognized when non-staff individuals apply for vacant posts; although non-staff work for many years side-by-side with staff, most organizations consider them as external candidates without any recognition of their previous work for the organizations. In interviews, the Inspectors received frequent complaints from non-staff focus groups on this issue. The Inspectors are of the opinion that non-staff should be eligible to apply for vacant staff positions as internal candidates after several years of working with the organization. For various reasons, the rules of many organizations do not allow non-staff to apply for vacant positions as internal candidates. Furthermore, some organizations require non-staff candidates to have a six-month break from their

[25] FAO Administrative Manual, Section 375.8.35 (concerning national project personnel). This specific provision was added in recognition of the fact that national project personnel may work for FAO for several years without a break in service.

work in order to apply. Depending on the organization, this situation is regulated either through legislative/governing body resolutions or internal regulations. These rules should be waived at least temporarily as a measure to terminate the practice of the use of long-serving non-staff personnel. FAO indicated that posts outside headquarters at the Professional and General-Service levels were advertised externally.

153. The implementation of the recommendations below will enhance controls and compliance (recommendations 8 and 9) and enhance transparency and accountability (recommendation 10).

Recommendation 8: The executive heads of the United Nations system organizations should ensure that the gender balance policy and related measures include non-staff personnel, including United Nations Volunteers (UNVs). Gender balance in non-staff personnel recruitment should be promoted and monitored as part of the overall gender equality policy.

Recommendation 9: The executive heads of the United Nations system organizations should allow long-serving non-staff (including UNVs) to apply as internal candidates for vacant staff positions, with a view to ensuring fairness and providing a measure to reduce long-serving non-staff in the organizations.

Recommendation 10: The executive heads of the United Nations system organizations should ensure that there is a clear, fair and rational mechanism for the determination and adjustment of remuneration levels of non-staff personnel, particularly in respect of long-serving non-staff.

C. Maximum duration, extension and renewal of non-staff contracts

Key finding: *Organizations apply different duration limitations to different non-staff contracts. Service contracts usually include lengthy maximum durations with or without breaks, which enable organizations to use these contracts for staff-type of work under a de facto employment relationship.*

Key finding: *Organizations use significantly different duration and break requirements for the same or similar contract types, indicating a lack of coherence and consistency across the system without justification.*

154. Annex IV to the present report includes a detailed description of the maximum duration, extension and break requirements of non-staff contracts by organization. Given the short-term nature of non-staff contractual arrangements, most organizations limit the maximum duration of a single contract to one year or less. Many organizations, depending on the different non-staff contractual modalities, use one year, 11 months or 6 months as the maximum duration for single contracts. Organizations allow the renewal or extension of contracts for a maximum accumulated duration (for example, four years), with short breaks (for example, one month) or without breaks between contracts.

155. Consultants with the United Nations Secretariat are limited to 24 months of work in any 36-month period, while individual contractors are limited to six months and, in exceptional circumstances, nine months, in any period of 12 consecutive months. For individual contractors at UNICEF, maximum durations are 11 out of 12 months and 44 out of 48 months.

156. There is no maximum time limit set for service contracts at UNDP and WFP. In practice, a service contract is issued for a minimum period of six months, renewable, but for not more than 12 months at a time. For project personnel, the maximum period for the use of a service contract is the duration of the project. UNOPS individual contractor agreement contracts can last from one hour to one year in duration, and can be extended for up to four years, or the duration of a project (whichever is longer). UNIDO individual service agreements may be granted for a period of up to one year at a time and may be extended up to four years with no break requirement between contracts. Each contractual modality has specific rules and each organization has established its own limitations. Furthermore, for the same type of contract, different organizations set different limitations. ITU places no limitations of duration and requires no mandatory break between successive contracts.

157. The existing long-term use of non-staff, starting from six months up to four years with or without breaks, and in some organizations without any time limits, is a violation of labour principles; any individual working under an employment relationship should have a valid stable employment/staff contract with relevant social benefits. In interviews, both managers and non-staff personnel stated that they did not comprehend the reasons for contract breaks and maximum durations as there was work to be done continuously.

158. In reality, these contractual restrictions, such as mandatory breaks, limitations on contract renewals and maximum duration within a given period, do not help to resolve the misuse of non-staff personnel. Furthermore, they are often a hurdle and represent a significant burden on the management of non-staff personnel, with additional required administrative and associated oversight processes. This is a problem, particularly when managing considerable numbers of non-staff personnel, for example, in peacekeeping operations.

Cyclical renewal of short-term contracts: administrative inefficiencies

159. The long-term use of non-staff personnel frequently implies the extension or renewal of contracts in order to rehire the same individual to perform the same tasks. Organizations therefore undertake selection and recruitment processes simply to comply with established bureaucratic procedures, hiring and rehiring the same individuals to undertake the same functions, often for years. This situation poses an unnecessary administrative overhead that in certain cases requires a considerable amount of resources to properly manage recruitment and selection activities, including the set-up and participation of staff members in selection panels and the documentation of recruitment processes.

160. The Inspectors were informed that, since January 2013, MINUSTAH had reduced the "nine months contract – three months break" cycle to a new cycle of "three months contract – three months break" for its individual contractors. The reasons given related to the need to provide employment to the highest number of people in a downsizing context and in a country where jobs are scarce. Given the fact that MINUSTAH had nearly 800 individual contractors, this new cycle could cause a significant administrative overhead and inefficiency in the management of individual contractors. Indeed, interviews with hiring managers reflected considerable concern and dissatisfaction with the short-term contracts and break requirements.

D. Performance assessment of non-staff personnel

161. Satisfactory performance is a prerequisite for the payment of non-staff and the extension and renewal of contracts. In this regard, hiring offices are normally requested to provide performance feedback either every six months or at the end of non-staff assignments. At the United Nations Secretariat, for contract periods longer than six months, interim evaluations should be undertaken by the direct supervisor. UNOPS, for individual contractors, uses a mandatory performance evaluation report for international and local individual contractors that must be completed through an online performance evaluation tool when the cumulative duration of the contract and its amendment(s) is six months or longer. For UNDP service contracts, a service performance evaluation must be completed on a yearly basis by the supervisor through an online service evaluation platform.

162. Contrary to UNDP or UNOPS, most of the other United Nations entities do not have an online platform for the management of individual performance assessments of non-staff personnel. Instead, they rely on paper forms, which are not conducive to the effective use of performance assessments. Managers at WFP are required to evaluate the performance of non-staff upon completion of each contractual period through specific forms. The format of the forms varies depending on the contract modality (for example, quality assessment reports for consultants, performance evaluation forms for service contracts and service evaluation forms for special service agreements). Performance appraisals are kept on file to allow consultation before any re-employment.

163. Different non-staff contractual modalities require different performance assessment procedures and forms. Furthermore, non-staff contracts do not follow a pattern in time. Instead, each contract is individual with specific start and end dates, and each performance evaluation should be done individually in connection with the end of the contractual period. This requires additional planning on the part of hiring managers. In most organizations, there are no tools to manage the process, contrary to the performance evaluation of staff, which is normally regulated in cycles and supported by online tools.

164. The Inspectors could observe at group meetings with non-staff personnel that some individuals were not aware of individual performance evaluations, suggesting that performance evaluation is recurrently undertaken as an administrative prerequisite before a contract can be renewed or extended. However, the results of the online non-staff survey show that, overall, about 72 per cent of respondents receive feedback on their individual performance. FAO indicated that, effective November 2013, the quality assessment report used for consultants, personal services agreements and national project personnel makes it mandatory for the form to be signed and commented upon by the non-staff being evaluated.

165. Considering the intended short-term duration of contracts and the long-term use of non-staff, the renewal or extension of contracts and other administrative procedures, including performance assessments, represent a considerable administrative burden for human resources management as well as for the respective substantive sections. The managers interviewed confirmed that the management and renewal of contracts represented a heavy administrative burden, not only from the point of view of performing the tasks, but also considering the loss of knowledge when non-staff leave for a more stable job.

E. Non-staff representation and administration of justice

Key finding: *There are no effective representation and internal justice mechanisms for non-staff personnel.*

166. The lack of a well-thought-out and common approach observed in non-staff policies across the system is also applicable to the representation of non-staff. In the majority of organizations,[26] non-staff personnel are not members of staff representative bodies precisely because they are not staff.

167. The fact that non-staff have no formal mechanisms to channel their complaints is an important structural weakness, as non-staff often fear that their weak position is generally not conducive to raising issues with their supervisors. At non-staff focus-group meetings, when asked what they did when they had problems with their supervisors or managers, some non-staff responded: "we can do nothing but pray". In meetings, many non-staff personnel expressed their appreciation to the Inspectors that for the first time they were asked to express their concerns and highlight issues. The Inspectors also met with representatives of the UNDP/UNFPA/UNOPS/UN-Women Staff Council, who confirmed that, after a vote, the Staff Council had decided to allow non-staff contract holders, despite being considered "non-staff", to become members of the staff representation mechanisms. The country staff associations of some organizations have already started to accept non-staff as members and, in one of them (UNDP in Ethiopia), a non-staff individual had been elected as head of the local staff association. In the Democratic Republic of the Congo, individual contractors have established a local committee to negotiate work conditions with MONUSCO management.

168. Although generally non-staff are not represented by staff associations, 65 per cent of the non-staff respondents to the online survey indicated that they were aware of mechanisms, whether formal or informal, to channel their complaints. The staff representatives interviewed indicated their concerns regarding the abuse of non-staff contractual modalities. Some non-staff representatives referred to non-staff personnel as a "shadowy and silent workforce".

169. Considering that non-staff personnel have become a significant part of the total workforce, even the majority in some organizations, the lack of representation mechanisms for them is neither in line with United Nations values nor good for the effective functioning of the organizations. The Inspectors welcome the approach taken by the UNDP/UNFPA/UNOPS/UN-Women Staff Council and encourage it to continue to address non-staff concerns with management. They further encourage all staff associations to change their statutes in order to enlarge their membership to include non-staff. In the case that changes to the statute of staff associations need to be accepted or approved by management or governing bodies, they should do so.

Code of conduct for non-staff

170. It should be noted that ethics and standards of conduct are core elements of the overall human resources management strategy of the United Nations system organizations, because they promote a common system of values that are essential to the international civil service. A total of 84 per cent of the non-staff who responded to the online non-staff survey indicated that they had been informed of the corresponding code of conduct or ethical standards applicable to them when joining their respective organizations. However, there are differences among organizations in the scope of the applicable code

[26] At FAO, IAEA, ITC, ITU, the United Nations Secretariat, UNAIDS, UNDP, UNFPA, UNHCR, UNICEF, UNIDO, UNOPS, UN-Women, UNWTO, WFP, WHO and WMO.

of conduct or standards. Some organizations applied the same standards to non-staff as staff (for example, the United Nations Secretariat, UNFPA, UN-Women and the International Trade Centre (ITC)). Other organizations did not apply the same standards to non-staff, nor did they have a specific code of conduct for non-staff. In these cases, a limited number of relevant conduct and/or ethical requirements were included in non-staff contractual modalities (for example, UNESCO, ILO, FAO and ITU).

171. Participants in the non-staff focus-group meetings indicated that they were frequently expected to represent their organizations, sometimes in leading positions as project managers; to deliver results; to show loyalty, commitment and dedication; and to abide by the same code of conduct applicable to staff members. However, they were not treated or considered as staff, and this lack of recognition was demotivating. The Inspectors believe that non-staff personnel, particularly those working for the organizations for extended periods, should be subject to the same standards of conduct as staff whenever they are perceived as and/or perform similar functions to staff members. However, the ethical dilemma remains, as it is not appropriate to treat non-staff personnel differently, denying certain benefits and privileges to them, while requiring them to behave like staff.

Administration of justice

172. The majority of organizations share the view that any dispute, controversy or claim arising out of non-staff contractual modalities should be solved to the extent possible through amicable settlement by means of internal negotiation and reconciliation. In cases where agreement cannot be reached, arbitration is the preferred method, as stipulated in the contracts. Arbitration is conducted in most organizations in accordance with the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL). However, WHO uses the rules of arbitration of the International Chamber of Commerce. The arbitration procedures require both parties to accept the arbitration decision as final.

173. Consultants are treated differently than other non-staff categories by some organizations. At FAO and WFP, consultants are considered "officials" of the organization and allowed to have full access to the internal appeals system used by staff, including final recourse to the ILO Administrative Tribunal. However, interestingly, holders of other non-staff contractual modalities, such as personal services agreements and national project personnel, can only request arbitration. ILO refers any non-staff dispute that cannot be settled through internal negotiations to the Administrative Tribunal in accordance with the provisions of paragraph 4 of article II of the Statute of the Tribunal.

174. At other organizations, non-staff personnel do not have access to the formal internal justice mechanisms. The Secretary-General, in annex V to his report on the administration of justice at the United Nations (A/67/265 and Corr.1), included proposals for expedited arbitration procedures for consultants and individual contractors, together with an analysis of the policy and financial implications in the event that non-staff categories covered by the proposed expedited arbitration procedures were to be permitted access to mediation under the informal system. In its resolution 67/241, the General Assembly took note of the proposed expedited arbitration procedures developed by the Secretary-General and decided to remain seized of the matter.

175. In his report on the activities of the Office of the United Nations Ombudsman and Mediation Services,[27] the Secretary-General stated that, with the establishment of the ombudsman function in the United Nations Secretariat, the Office continued to be contacted by non-staff personnel, including

[27] See A/68/158, para. 16.

individual contractors and consultants, seeking redress and recourse to informal dispute resolution. He added that, on an exceptional basis, and when feasible within existing resources, limited services had been provided by the Office. Cases involving United Nations Volunteers were also handled on an exceptional basis as and when they concerned peacekeeping missions and Secretariat staff members. Ombudsmen for the funds and programmes provided services to all contract holders and on a limited basis to United Nations Volunteers.

176. UNVs may seek informal mediation through the Office of the Ombudsman. However, like other non-staff, they do not have access to the formal system of justice. UNVs may appeal an administrative decision to the Executive Coordinator of the UNV programme and, subsequently, to the Administrator of UNDP. Thereafter, they may bring the dispute to arbitration under the UNCITRAL arbitration rules.

177. Arbitration procedures are reasonable only for short-serving independent contractors, namely, consultants. For long-serving non-staff personnel, such procedures are not practical, accessible or useful. Therefore, there is a need to provide practical solutions to their judicial needs, in recognition of the performance of staff functions for extended periods. Organizations should thus consider either providing them with access to internal justice mechanisms or establishing a separate practical official mechanism.

178. The lack of access to the internal justice system not only presents a labour rights problem, but also makes it harder to hold staff accountable for inappropriate behaviour (including harassment, discrimination, abuse of authority and retaliation) against and involving non-staff. Naturally, in the organizations, many human resources rules and procedures are established for "staff" under the assumption that they are the only workforce of the organizations. When non-staff become a significant part of the workforce, working for extended periods, these rules and procedures are not sufficient. Therefore, there is a need to review and update those policies, including harassment and whistle-blowing policies.

179. Furthermore, it is not clearly stated in the regulations and rules whether non-staff personnel have the right to have access to informal conflict-resolution mechanisms, such as mediation, the ethics office and the office of the ombudsman. During meetings, some managers stated that non-staff had the right to have access to informal conflict-resolution mechanisms, but that most non-staff were not aware of it. Since in many cases the language of rules and procedures is staff-oriented, they need to be adjusted and, most importantly, non-staff need to be informed of their rights. Internal oversight charters may not necessarily include non-staff personnel in their scope of application. This situation may pose difficulties in the coverage of issues related to non-staff, which could in turn pose a risk for the organizations.

180. In the comments received on the draft version of the present report, many organizations raised concerns regarding the financial implications of opening internal justice systems to non-staff personnel. It was difficult to reconcile statements by organizations on the one hand that no or only a few disputes had been sent to arbitration so far, and on the other hand that they were concerned that, if internal justice mechanisms were open to non-staff, case files could block the system and become too costly. According to ILO and FAO, so far there have been only a few cases submitted to tribunal. Fears concerning case load and financial implications may therefore be unfounded. In any event, a high number of cases could indicate that there is a significant number of hidden justice problems that need to be addressed.

181. The Inspectors would like to highlight that, as long as organizations maintain significant levels of non-staff working for extended periods under an employer-employee relationship like regular staff, they should also provide those non-staff with a practical and accessible justice mechanism. This can be done either by allowing access to existing justice systems or by other expedited arbitration mechanisms. Organizations can find different modalities. For instance, they can open an internal justice system on a pilot basis for a limited period to test the results. They can open an internal justice system only to those non-staff working under service-type contracts with an employer-employee relationship, or establish an ad hoc system. However, it should be clear that, so far, the best solution to address this problem is to terminate the use of non-staff personnel for extended periods under an employer-employee relationship.

182. The implementation of the recommendations below will enhance transparency and accountability.

Recommendation 11: The executive heads of the United Nations system organizations should ensure that long-serving non-staff personnel (including UNVs) have access to appropriate formal internal justice mechanisms. To that end, the executive heads should consider allowing them access to existing mechanisms or establish another practical system for their use.

Recommendation 12: The executive heads of the United Nations system organizations, as a matter of priority, should ensure and formalize the access of non-staff personnel (including UNVs) to mediation, the ethics office, the office of the ombudsman and other informal conflict-resolution mechanisms, and ensure that such personnel have recourse to the policies on the prevention of harassment and whistle-blowing. Furthermore, non-staff should be informed of those rights.

V. THE WAY FORWARD

Plan to terminate the long-term use of non-staff contracts

183. The current situation reflects that the United Nations system organizations have a dual workforce, working side-by-side with each other: one with stable contracts, full rights and entitlements, and another with precarious contracts and no or limited entitlements. The findings reflect that the current system of hiring non-staff is inconsistent with international good labour practices, operates without real oversight and accountability and presents risks for the organizations. Furthermore, the findings indicate a lack of congruence between United Nations values of justice and fairness and the practice of differential treatment without a clear basis for those differences.

184. In the comments received on the draft version of the present report, the organizations pointed out that there was no mention of the cost implications of the proposed reforms. It is clear that a fair solution for the non-staff personnel working for extended periods under an employer-employee relationship is to provide them with staff contracts, either short-term, fixed-term or limited to project duration. Naturally, this would come at significant financial cost. The Inspectors would like to clarify that organizations should not assume that the need for practical solutions overrides the obligations of the United Nations system organizations to practise what they preach and what good labour practices require.

185. Therefore, the Inspectors suggest that each organization concerned undertake an analysis of its own situation regarding the long-term use of non-staff and prepare a plan (short- to medium-term) to terminate this practice. The plan should provide an assessment of the financial resources required for its implementation. It should include an analysis of the existing use of non-staff personnel and related policies in the light of internationally accepted labour principles. The plan should also include an analysis of the level of use of non-staff, the functions and locations of long-serving non-staff personnel, the expected duration of their functions and the possible measures to be taken to address the problem. Such measures could include the establishment of staff posts to take over the functions of long-serving non-staff, the conversion of those non-staff contracts to proper staff contracts and transitional measures to allow existing long-serving non-staff to apply for vacant staff positions as internal candidates.

186. In those cases where there is no possible solution other than the separation of long-serving non-staff, a compensation package should be provided in recognition of their long service under precarious short-term non-staff contractual modalities with no or limited social benefits. Organizations should present this analysis, together with relevant financial resource and strategic decision requirements, to their respective governing bodies. Governing bodies should consider providing the necessary support, including commensurate financial resources, in order to solve the problem of long-serving non-staff personnel, in line with good labour practices.

187. As regards the broader total cost concerns, executive heads need to take a holistic approach, examining the entire sourcing strategy of their respective organizations instead of palliative and inappropriate methods. In this context, they can define which services at headquarters can be offshored or outsourced. They can also define their core and continuous functions and needs for the limited duration of programmes and projects. Inflexibility and cost concerns are not valid reasons to overuse non-staff contracts. If organizations believe that staff contracts are not helpful for their functioning, they should work together with ICSC to address that problem properly. For instance, based on their experience, organizations could choose to discuss the rationality and possibility of using non-career staff contracts of limited duration for programmes and projects.

Single contractual modality for non-staff personnel

188. The present review finds that non-staff contracts are proliferating without any rational planning. There is not any underlying principle or overarching criteria for the establishment and use of non-staff contracts. There is a need to reduce the number of non-staff contracts to a maximum of two types, or ideally one. Although a profusion of non-staff contracts is used in the United Nations system, they can be clustered into two categories: consultancy-type and service-type. The Inspectors suggest that only one non-staff contractual arrangement be used for the temporary hiring of individuals when there is a specific task of an advisory or technical nature to be performed or a specific output to be delivered, for example, a study, research assignment, workshop or translation. These tasks should be performed within a limited and specified period of time, under a consultancy type of contract. In the case of service-type contracts, since they are often improperly used to perform staff-type work under a de facto employment relationship, it is advisable to use staff contracts instead. This single, non-staff contract modality would help organizations to comply with internationally accepted labour principles and reduce their administrative overheads. **To prevent the misuse of non-staff personnel, consideration should be given to limiting the maximum contract duration and the work period of non-staff in the organization to six months in a year**.[28]

189. Some organizations, in their comments on the draft version of this report, raised serious concerns regarding the single contract modality. Single contracts should be consultancy-type. Service-type contracts need to be phased out in the organizations as they entail an employer-employee relationship. If organizations deem it is essential to provide short-term contracts that involve such a relationship but cannot provide in the near term either consultancy-type or staff-type contracts for various reasons, they should consider using another non-staff contract, but strictly for the short term, that is, for three or a maximum six months in a year. This could be considered particularly during a transition period.

System-wide harmonization

190. The present review indicates that there is an urgent need to harmonize non-staff policies and instruments, including the concepts of non-staff and related contract modalities and associated entitlements across the United Nations system. The analysis of the non-staff contracts currently in use across United Nations entities shows that contract modalities, conditions of service, entitlements and remunerations are different for the same type of work and in the same location. The review of a "Delivering as one" pilot country, Viet Nam, showed that problems with non-staff contractual modalities and social benefits were no different than in other countries. Despite some harmonization initiatives, such as having unified guidelines for the remuneration levels of project personnel in Viet Nam, interviews with managers confirmed that the use and harmonization of non-staff contracts was neither an agenda item in inter-agency meetings nor included in harmonization efforts at the level of the High-Level Committee on Management of CEB.

191. Unlike for staff, there is no common classification or standards or any overarching criteria for the use of non-staff personnel. While staff conditions are harmonized through ICSC, the conditions of non-staff personnel, now a significant part of the workforce, are not. Thus, organizations individually establish and implement different policies. Each organization defines the general rules for contract modalities and conditions including job grading, recruitment levels, and social benefits and entitlements for non-staff contracts. These all create a barrier to "Delivering as one". Harmonization of non-staff policy and practice should be the subject of a comprehensive study by CEB that should consider all aspects of the use of non-staff personnel, including a general definition of non-staff and

[28] The World Bank imposes a maximum duration of 150 days in a year for a consultancy contract. See JIU/REP/2012/5, para. 79.

overarching criteria for the use of non-staff, relevant policies, contractual modalities and entitlements, remuneration methodologies and levels and job grading. The study should aim to align non-staff policies with internationally accepted labour principles and harmonize them across the system. The goal should ideally be to have a single or very similar non-staff policy and contract templates used by all organizations offering the same or very similar conditions and entitlements.

192. The implementation of the recommendation below will ensure dissemination of good/best practices.

Recommendation 13: The Secretary-General, as the Chair of the United Nations System Chief Executives Board for Coordination, should initiate the harmonization of non-staff policies and practices across the system, including the criteria/principles in the use of non-staff, the preparation of a non-staff common contractual modality, remuneration methodology and entitlements. To that end, a working group can be established under the High-level Committee on Management.

ANNEX I

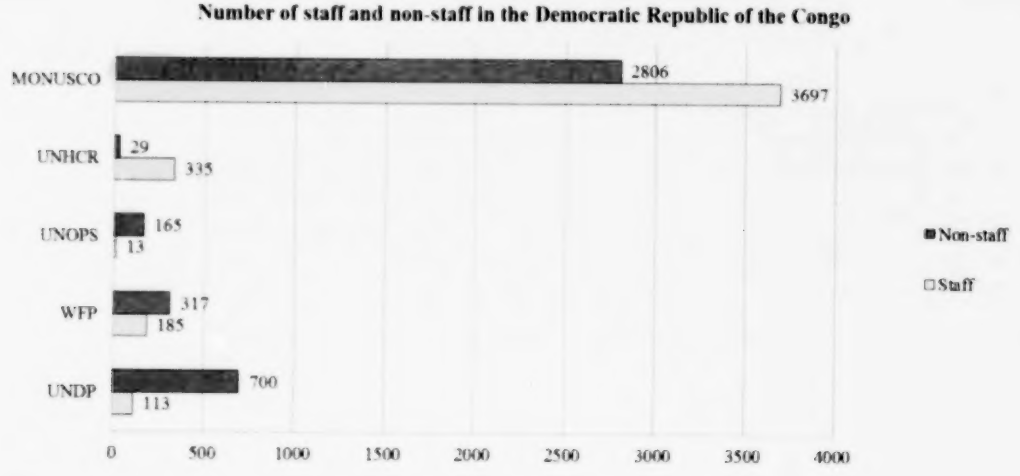
COUNTRY CASE STUDIES

Case study 1: Democratic Republic of the Congo
Case study 2: Haiti
Case study 3: India

CASE STUDY 1: DEMOCRATIC REPUBLIC OF THE CONGO

Level of use of non-staff personnel

1. The table below shows the number of staff and non-staff individuals working for the organizations interviewed in the Democratic Republic of the Congo. The below figures have been taken from questionnaires sent to country offices and/or from interviews held during field missions.

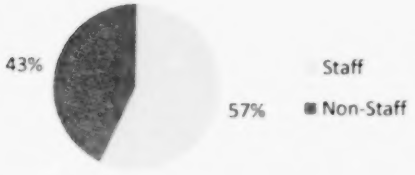


Source: JIU country questionnaire.

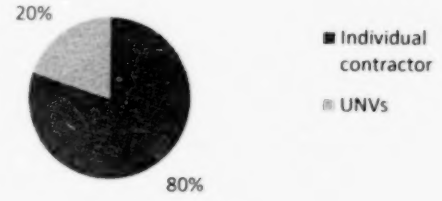
2. In terms of absolute figures, MONUSCO employs far more non-staff personnel than other United Nations system organizations in the Democratic Republic of the Congo, with non-staff individuals representing about 43 per cent of the total workforce. In terms of percentage of the total workforce, UNOPS employs the highest number of non-staff, with 93 per cent.

MONUSCO

Staff and non-staff



Types of non-staff contracts



Source: JIU country questionnaire.

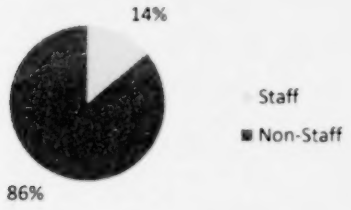
3. In total, 2,806 individuals on non-staff contracts worked for MONUSCO as at the end of March 2013, of whom 2,245 were working on individual contractor contracts. With respect to the mandatory break of individual contractors after a nine-month work period, managers indicated that this was a real

problem, not only because of the need to reissue contracts and the associated administrative work, but also owing to the loss of knowledge that happens when individuals leave for a more stable job. MONUSCO management indicated that it was not possible to monitor the implementation of individual contractor contracts; therefore, breaks were not applied consistently. MONUSCO also employs a high number of UNVs: 561 as at the end of March 2013. MONUSCO employs 1,452 individual contractors mainly for building work and for the construction of camp sites; the remaining individual contractors are used in a wide range of duties across the mission, including transportation, security, property management, aviation, information technology and finance.

UNDP

4. According to its website for the Democratic Republic of the Congo, as at the end of 2012, UNDP employed 113 staff members and 700 non-staff individuals, including 445 personnel on service contracts, 98 UNVs and 157 individual contractors. Service contracts were used for staff at both the Professional and General Service levels.

Staff and non-staff

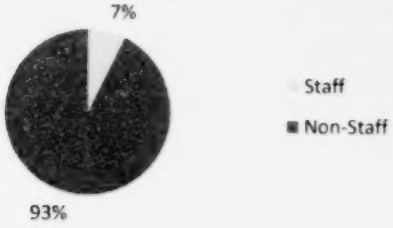


Types of non-staff contracts

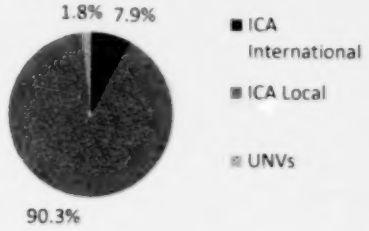
5. At UNDP, 86 per cent of personnel worked under non-staff contracts in the Democratic Republic of the Congo. According to the figures for 2012, service contractors comprised the highest percentage of non-staff personnel (64 per cent), followed by individual contractors (22 per cent) and UNVs (14 per cent).

UNOPS

Staff and non-staff



Types of non-staff contracts



Source: JIU country questionnaire.

6. UNOPS focuses on project implementation. Its staff positions are normally reserved for key roles in the country office, while most of its projects are managed by non-staff. It had only 3 international and 7 national staff members, and up to 140 non-staff (only 10 of whom were international)[29] and 3 UNVs.

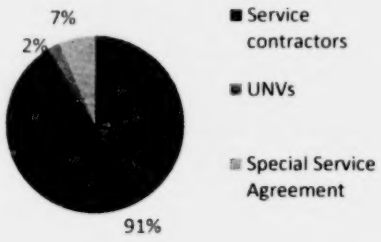
[29] The figures in this paragraph were taken from mission interviews, while the charts were prepared using the results of the country questionnaire.

WFP

7. Non-staff personnel make up about 63 per cent of the total workforce, mostly composed of service contract holders (91 per cent), some special service agreement holders (7 per cent) and a small number of UNVs (2 per cent).

Staff and non-staff

Types of non-staff contracts

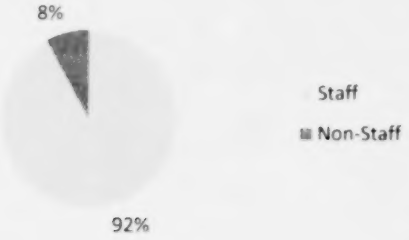


Source: Mission interview notes.

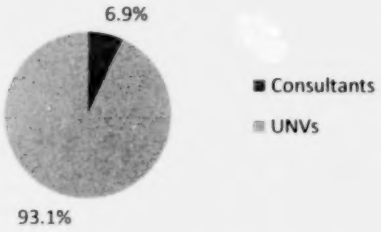
8. WFP employs a total workforce of 502 individuals, including 38 regular international staff, 125 national staff (34 at the Professional level, the remainder at the General Service level) and 22 other staff (i.e. Junior Professional Officers etc.). There are 317 non-staff, the majority being service contract holders (289), while 21 hold special service agreement contracts and 7 are UNVs. Regarding outsourcing, officials confirmed that cleaning and security services were outsourced.

UNHCR

Staff and non-staff



Types of non-staff contracts



Source: Mission interview notes.

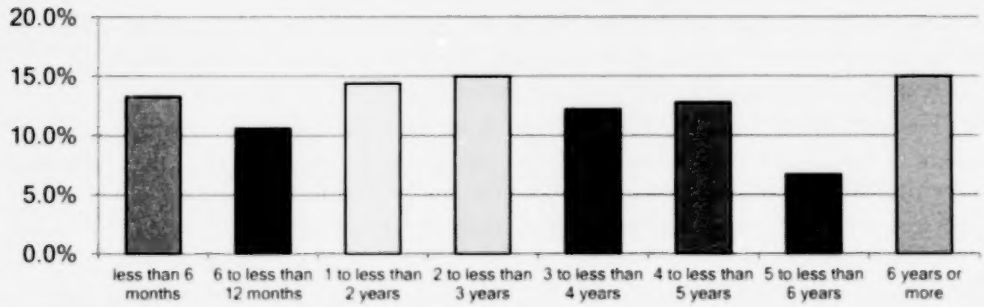
9. UNHCR relies heavily on staff (92 per cent) rather than non-staff. It has 15 offices, 65 international staff, 270 national staff and 27 UNVs. UNHCR has two international consultants. Thus, of the non-staff personnel, UNVs make up 93 per cent. Of all the organizations reviewed, UNHCR had the lowest number of non-staff as a percentage of the total workforce (8 per cent). UNHCR outsourced cleaning services.

Main findings

10. None of the organizations provides pension scheme benefits to its non-staff. Instead, the organizations include a lump sum payment and claim that it is a pension benefit. WFP managers explained that, until 2012, the pension contributions for its service contractors (8.5 per cent of salaries) were paid into a bank account under the condition that service contractors could not withdraw their contributions until their contracts ended. However, following a request from headquarters, this practice was ended. Managers and service contractors alike argued that it was a good practice because, at the time of termination of contract, the service contractors would receive the accumulated money. Service contractors indicated their preference for depositing contributions into a bank account instead of receiving them as part of a lump sum. UNOPS recently established a provident fund as a savings scheme. Interviews indicated that, among the organizations, UNOPS contracts generally had better remuneration and social benefits.

11. The results of the non-staff survey showed that 85.4 per cent of respondents from the Democratic Republic of the Congo believed that their work was of the same or a similar nature to the work of regular staff. A total of 49 per cent indicated that their work was project-related. In total, 92.4 per cent of respondents stated that they worked regular hours and had been assigned a desk, phone and/or e-mail account by their respective organizations. Furthermore, 20 per cent of respondents worked in administrative areas, including finance and human resources, while 16 per cent worked in engineering-related areas, 14.6 per cent in information technology and telecommunications and 45 per cent in "other areas", most notably logistics and transportation, human rights and medical activities. Frequent examples of long-term use of non-staff personnel could be observed at MONUSCO, UNDP, UNOPS and WFP (for example, individuals having worked on non-staff contracts for more than three years, in some cases up to 13 years).

Number of years worked by non-staff in the United Nations system organizations (Democratic Republic of the Congo)



Source: JIU non-staff survey.

12. It should be noted that more than 60 per cent of respondents to the survey were UNVs, which might distort the number of work years. In general, among the non-staff modalities, individual contractors had the lowest social benefits. Unfortunately, there was no significant representation of individual contractors in the survey. This was mostly owing to this group's lack of access to the Internet and computers. As reflected in the chart above, 15 per cent of respondents to the survey indicated that they had worked for more than six years for their respective organizations (23 per cent, excluding UNVs) and almost 47 per cent had worked for more than three years (62 per cent, excluding UNVs).

13. It is a fact that United Nations entities do not even meet the minimum labour standards established under the Democratic Republic of the Congo Labour Code, which stipulates that if a worker has completed a certain number of working days, a new employment contract of unlimited duration should be signed.

14. The online survey indicated that 75 per cent of respondents had managerial responsibilities either frequently or sometimes. More than 45 per cent of respondents indicated that they had frequently or occasionally supervised regular staff members.

Other survey findings

15. It is regrettable that MONUSCO individual contractors and WFP non-staff personnel had no representation in the survey; many non-staff individuals, in particular individual contractors, had no access to computers given the nature of their jobs (for example, drivers, gardeners or cleaners), while others may have been on contract breaks. The highest participation rate comes from MONUSCO (49 per cent). However, all survey participants from MONUSCO were UNVs, followed by UNOPS (22 per cent), UNDP (13 per cent) and UNHCR (8 per cent).

16. UNVs comprised the most represented type of non-staff (111 respondents, 62 per cent) followed by holders of UNOPS individual contractor agreements–national (19 per cent) and UNDP service contractors (9 per cent). Some other survey findings include:

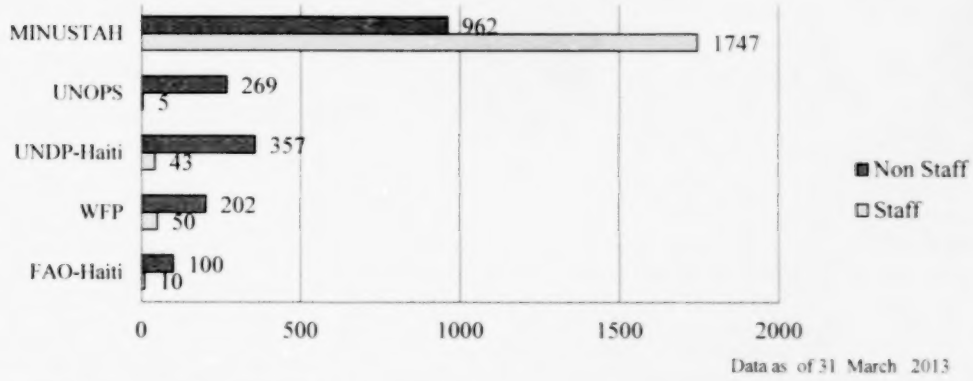
- 78 per cent of respondents were male
- 50 per cent of respondents were aged 30 to 39 years
- 40 per cent of respondents believed that their contractual conditions did not comply with local labour law in the Democratic Republic of the Congo and 36 per cent were dissatisfied with the entitlements associated with their contracts
- 57 per cent of respondents were satisfied with the functions performed
- 37 per cent of respondents indicated that their work had sometimes been different to what was stated in the initial contract, and 42 per cent indicated that their work had been different
- 57 per cent of respondents stated they had received training from their organizations
- 96 per cent of respondents had medical insurance provided by their respective organizations
- About 9 per cent of respondents indicated they had a pension scheme provided by the respective organization, while 88 per cent declared they had no retirement pension scheme
- Overall, 61 per cent of respondents considered their contracts to be unfair, and only 27 per cent considered them to be fair
- 86 per cent of respondents indicated that they felt committed to their respective organizations
- 73 per cent of respondents indicated that their work performance assessments were shared with them
- 89 per cent of respondents stated they had been informed of the code of conduct and/or ethical standards.

CASE STUDY 2: HAITI

Level of use of non-staff personnel

17. The figure below shows the number of staff and non-staff working in the organizations visited in Haiti/Port-au-Prince. In terms of absolute figures, MINUSTAH had the highest number of non-staff as at the end of March 2013. However, it had the lowest number of non-staff as a percentage of the total workforce (about 36 per cent) when compared with other entities, for example, UNOPS (98 per cent) and WFP (80 per cent).

Number of staff and non-staff in Haiti

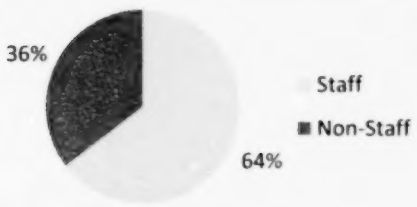


Source: JIU country questionnaire.

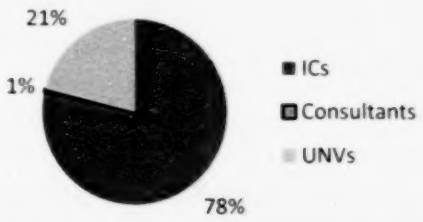
MINUSTAH

18. MINUSTAH is downsizing and the number of non-staff personnel, although still a considerable part of the workforce, has been reduced from 1,550 in March 2012 to 760 in March 2013. The number of UNVs has been reduced from 223 to 202 in the same period. At MINUSTAH, individual contractors represent 78 per cent of the total non-staff workforce.

Staff and non-staff



Types of non-staff

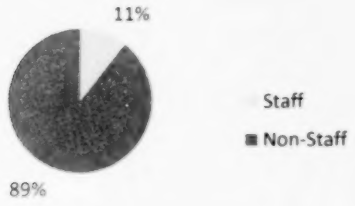


Source: JIU country questionnaire.

UNDP

19. UNDP managers indicated that, although there was no written policy, they followed a business model with a target for the total workforce to comprise one quarter staff and three-quarters non-staff. However, the percentage of non-staff personnel as of the end of March 2013 was about 89 per cent. UNDP hires non-staff personnel under two different categories: individual contractors and service contractors. Service contractors represent 60 per cent of non-staff.

Staff and non-staff



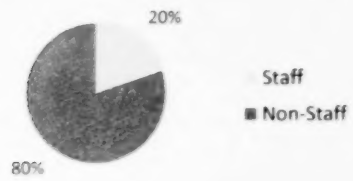
Types of non-staff contracts

Source: JIU country questionnaire.

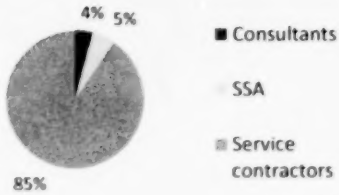
WFP

20. At WFP, 80 per cent of the workforce is non-staff. Service contractors represented 85 per cent of non-staff contracts issued in 2012. Officials interviewed indicated that, for an organization like WFP, which relies completely on unpredictable voluntary funding, it was extremely difficult to offer longer-term contracts and that budgetary restrictions had a major impact on workforce planning.

Staff and non-staff



Types of non-staff contracts

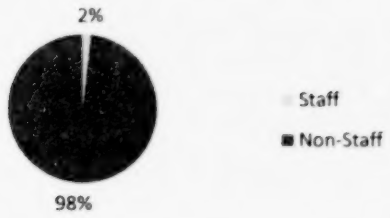


Source: JIU country questionnaire.

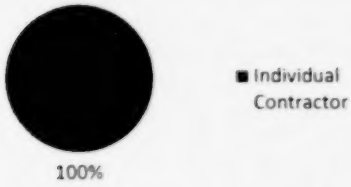
UNOPS

21. UNOPS operates project implementation. Staff positions are only for key positions in the country office. Non-staff personnel represent almost the total workforce of UNOPS in Haiti. As at the end of March 2012, the figures stood at 4 staff and 436 non-staff personnel. By the end of March 2013, the figures were 5 staff and 269 non-staff personnel.

Staff and non-staff



Types of non-staff contracts



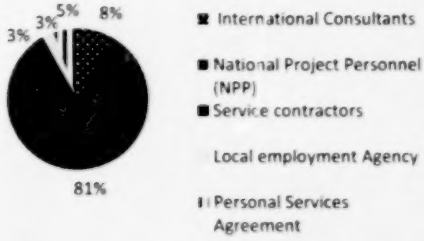
Source: JIU country questionnaire.

FAO

22. At FAO, more than 90 per cent of the total workforce is non-staff (100 non-staff personnel out of a total workforce of 110 as at the end of March 2013), and there is only one international staff member. A total of 81 per cent of the non-staff workforce is hired using national project personnel contracts.

Staff and non-staff

Types of non-staff contracts



Source: JIU country questionnaire.

Main findings

23. The only organization to provide a pension scheme for service contract holders is WFP, which contributes 6 per cent of individuals' salaries and a matching amount from WFP to the local national pension scheme. However, officials informed the Inspectors that individuals were having difficulties in gaining access to their pension funds. This needs to be addressed as it not only concerns the individuals' welfare, but also the appropriate use of the organization's contribution.

24. The functions performed by non-staff personnel are very diverse, ranging from very specialized functions in the case of consultants, to a number of support and other activities, for example, drivers, heavy equipment operators, mechanics, electricians, plumbers, carpenters, painters, gardeners, masons, locksmiths, cleaners, warehouse assistants and clerks or information technology technicians.

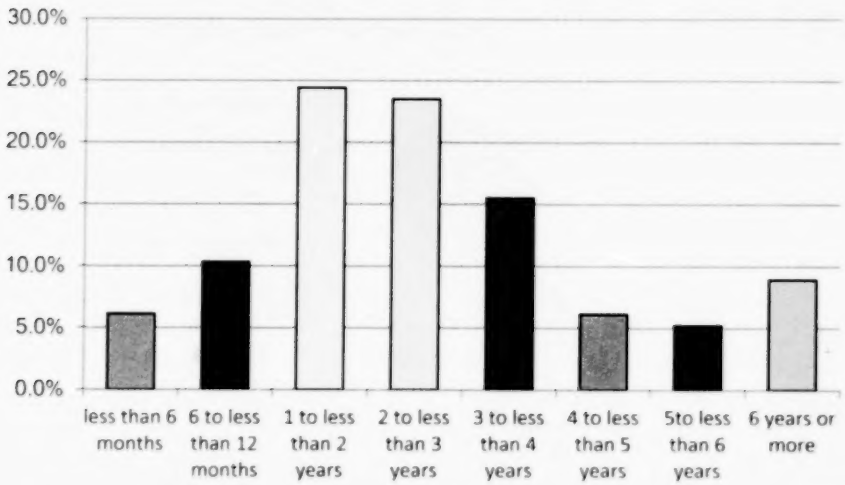
25. MINUSTAH gives its individual contractors nine-month contracts followed by a mandatory three-month break. It then rehires them using the same pattern for years. In many cases, the nine-month working period comprised several short-term contracts. In order to manage this process, a roster was established for the different functions performed by non-staff. The Inspectors were informed that, since

January 2013, MINUSTAH had reduced the nine-month contract and three-month break cycle to a new three-month contract and three-month break cycle.

26. The results of the non-staff survey show that 68 per cent of respondents believe that their work is of the same or a similar nature to the work performed by regular staff. This belief was confirmed at the different group meetings that the Inspectors held with hiring managers, non-staff focus groups and staff associations. At MINUSTAH, the issue was also reconfirmed through the review of 50 individual case files. In some cases, individuals had been working at MINUSTAH for up to nine years under short-term individual contractor contracts. One of the individuals attending a meeting at WFP had worked for about 10 years, always on short-term contracts. Despite such a long time working for the organization, the individual did not feel part of it owing to the contractual modality.

27. A total of 58 per cent of the non-staff survey respondents reported that they had worked in their organizations for more than two years, and about 9 per cent indicated that they had worked for more than six years.

Number of work years of non-staff in the United Nations system organizations (Haiti)



Source: JIU non-staff survey.

28. The results of the online survey further indicated that managerial responsibilities were undertaken by 33.7 per cent of respondents frequently and 28 per cent sometimes. The United Nations entities did not even meet the minimum labour standards established by the national law of Haiti, where an employee, after a three-month probationary period, becomes "employee/staff", with associated entitlements. According to the survey results, non-staff work in the following areas: administration (25 per cent), information and communications technology (13 per cent), engineering (16 per cent), cleaning and security (8 per cent) and other categories (38 per cent). A total of 58 per cent of respondents reported that their work was mostly project-related.

29. Recruitment activities and the management of non-staff personnel, including performance assessment, represent a considerable administrative burden. The extension or renewal of non-staff

contracts, in many instances for the hiring of the same individuals, implies considerable inefficiencies. The Inspectors met with a group of hiring managers at MINUSTAH who confirmed that the cyclical renewal of individual contractor contracts was burdensome.

30. MINUSTAH management indicated that, when planning and budgeting for their workforce, they counted on roughly 30 per cent of the total workforce being UNVs. They are employed in different areas, including substantive services, i.e., related to the mission mandate, such as human rights or civil affairs officers; and administration and technical services, including security. They can serve in the same duty station for up to six years and are not allowed to apply for United Nations jobs in the same duty station. This requirement is seen as arbitrary by many, including local management.

Other survey findings

31. The non-staff survey was answered by 213 respondents. The highest participation was from MINUSTAH (44 per cent), followed by UNDP (23 per cent), WFP (14 per cent) and UNOPS (13 per cent). This was not a surprise given the absolute numbers of non-staff personnel working at MINUSTAH. The contractual modalities with the highest representation in the survey were: United Nations individual contracts (24 per cent), followed by UNDP service contracts (18 per cent), UNVs (14 per cent) and WFP national service contracts (13 per cent). Some other survey findings:

- 65 per cent of respondents were male
- 52 per cent of respondents were aged 30 to 39
- 67.4 per cent of respondents declared that they worked regular hours and had been assigned a desk, phone and/or e-mail account
- 53 per cent of respondents indicated that the work performed in practice was different to what was stated in their respective contracts
- 48 per cent of respondents declared they had received training from their organizations
- 64 per cent of respondents had medical insurance provided by their respective organizations
- 60 per cent of respondents declared they had no pension, while 20 per cent indicated they had a pension scheme
- 55 per cent of respondents would accept a reduced salary in exchange for pension/health insurance schemes
- 33 per cent of respondents considered their contracts unfair while 48 per cent considered them fair
- 55 per cent of respondents stated that they were aware of formal and/or informal mechanisms to raise complaints
- 85 per cent of the respondents indicated that they felt committed to their respective organizations
- 86 per cent of respondents declared they had been informed of the code of conduct and/or ethical standards
- 75 per cent of respondents indicated that their work performance assessments were shared with them.

CASE STUDY 3: INDIA

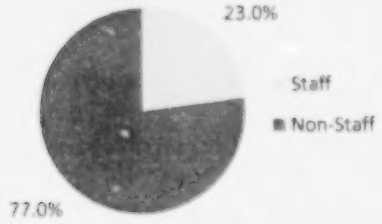
Level of use of non-staff personnel

32. The table below shows the number of staff and non-staff individuals working for organizations visited in India. WHO had the highest number of non-staff among the United Nations system organizations in India, with 2,507 as at the end of March 2012. It also had the highest percentage of non-staff personnel (about 95 per cent).[30] UN-Women had the second highest number of non-staff as a percentage of the total workforce (87 per cent).

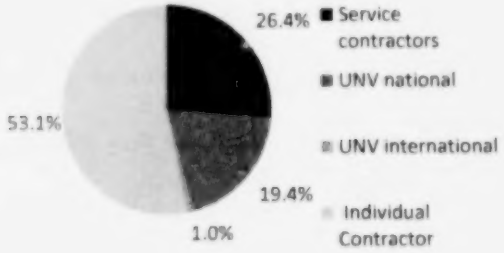
Source: JIU questionnaire.

UNDP

Staff and non-staff



Types of non-staff contracts



Source: JIU questionnaire.

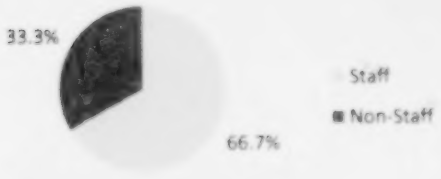
33. A total of 77 per cent of the UNDP workforce worked under non-staff contracts as at the end of March 2013. In 2012, individual contractors made up the highest percentage of non-staff personnel (153 individuals, comprising 53 per cent of the non-staff total), followed by service contractors (26 per cent), who mainly worked on projects with the Government, and a number of UNVs (56 national and 3 international).

[30] Note that of the 119 regular staffing positions, only 50 were filled at the time of data collection. The percentage of non-staff is calculated based on the full staffing table.

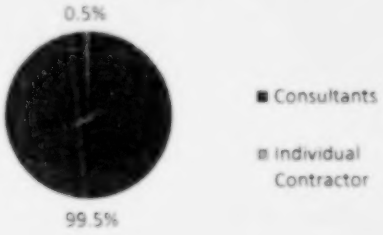
UNICEF

34. Approximately 450 staff work in 13 offices in various states in the country. In 2012, the percentage of non-staff personnel was relatively small (33 per cent). UNICEF used consultant contracts mainly for local recruitment, which represents almost all non-staff contracts (99 per cent). In addition, there was one individual contractor contract. All cleaning, maintenance and guard services were outsourced. The hiring of individual consultants was undertaken by the procurement unit.

Staff and non-staff



Types of non-staff contracts

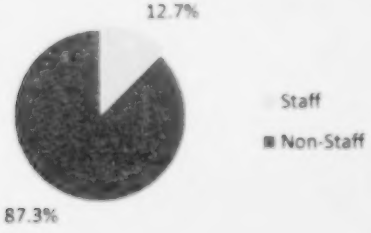


Source: JIU questionnaire.

UN-Women

35. UN-Women India is a multi-country office with 10 staff and 69 non-staff individuals as at the end of March 2013. Non-staff represented 87 per cent of the total workforce. The most representative non-staff contractual modality of all the non-staff contracts was consultants (62 per cent in 2012) followed by service contractors (37 per cent in 2012).

Staff and non-staff



Types of non-staff contracts

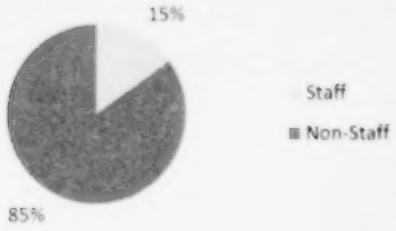
Source: JIU questionnaire.

36. The service contract modality was used for projects with funding. Consultants were hired using the special service agreement modality. However, special service agreement and service contract modalities had been used interchangeably. The office was trying to realign contracts, increasing the number of fixed-term posts once funding arrives; it was also indicated that some special service agreement contracts were to be converted to service contracts (special service agreement holders work at very low remuneration levels with no benefits).

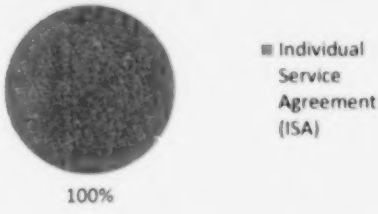
UNIDO

37. The UNIDO office based in Delhi services seven countries in south Asia and there are about 45 to 50 non-staff working under the individual service agreement modality in India alone. The office is serviced by eight staff members, comprising two international and six national staff.

Staff and non-staff



Types of non-staff contracts



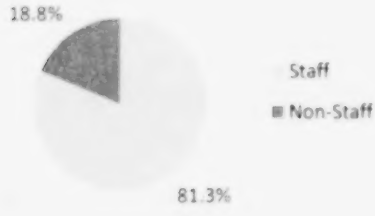
Source: Interview notes.

38. UNIDO has more than 40 projects in India. Programme officers are based at headquarters in Vienna, and implementation in the country is performed by field officers working on non-staff contracts. Using the figures provided during interviews, non-staff personnel represented 85 per cent of the workforce. Non-staff personnel had been used for the duration of projects (ranging from 4 to 20 years). The only non-staff contractual modality used was the individual service agreement contract (for 45 to 50 persons). Individual service agreements may be granted for a period of up to one year at a time and may be extended up to four years.

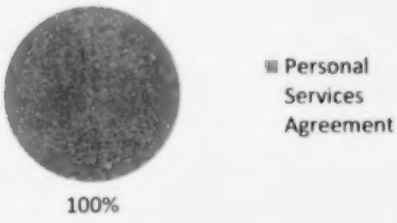
FAO

39. FAO staff comprised 1 international, 2 National Professional Officers and 10 General Service staff. There were three non-staff.

Staff and non-staff



Types of non-staff contracts



Source: Interview notes.

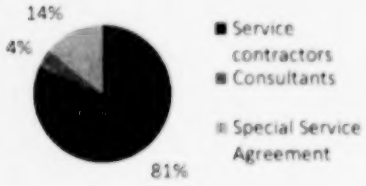
WFP

40. Management indicated that there had been a significant cut across the board in WFP as a result of downsizing. In India, WFP implemented projects through partners and there were fewer direct implementation projects in India than in other countries. The percentage of non-staff personnel was approximately half of the total workforce (51 per cent). Non-staff contracts were mostly composed of

service contractors (81 per cent) followed by special service agreements (14 per cent) and consultants (4 per cent).

Staff and non-staff

Types of non-staff contracts

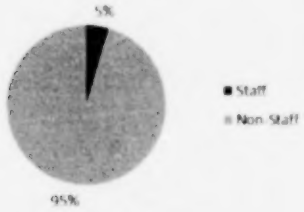


Source: JIU questionnaire.

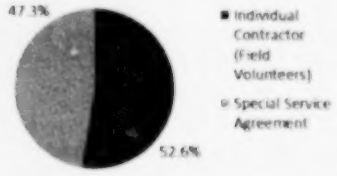
WHO

41. WHO had the largest number of non-staff among the United Nations system organizations in India, with 2,507 non-staff reported in 2012. Many of them had worked for many years. For instance in the non-staff focus group meeting, there were also doctors who had worked for more than 4 to 5 years under non-staff contractual modalities. WHO country management stated that there had been an improvement in the conditions and management of non-staff personnel, including a reduction in the number of non-staff, but that it was not easy to manage; a process of equity and rationalization of special service agreement contracts had been put in place. However, the issue was still to be addressed by WHO headquarters. WHO informed the Inspectors that WHO-India was using a national staff scale for the remuneration of non-staff contracts and the same principles for competitive recruitment. Non-staff mainly comprised 1,188 special service agreement contracts (in 2012) and field volunteers (1,319 in 2012).[51]

Staff and non-staff



Types of non-staff contracts



Source: JIU questionnaire.

UNFPA

42. UNFPA indicated that, in 2012, it issued 90 individual contractor contracts, but that it had no non-staff individuals as at the end of March, both for 2012 and 2013. The organization had five project sites in the country, all comprising mainly fixed-term staff. The Inspectors were informed during interviews with UNFPA India that the staff structure then was as follows: 7 fixed-term posts funded by the core

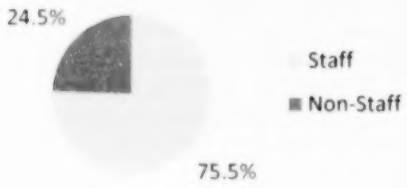
[51] WHO also used 83 service contractors under third party companies. The present report did not include the review of these hiring practices. However, as explained in the report, organizations have to ensure decent working conditions for this kind of workforce too as they carry out the work of the organizations.

budget and 47 fixed-term posts funded by the programme budget. If needed, consultants were hired for very specific short-term tasks. Some support services, including information technology services, were outsourced. The UNFPA approach was to plan workforce needs in advance according to the financial resources available. The five-year country programme was signed by the Government and included likely funding and provision for staff position requirements. Project funded positions performed project functions.

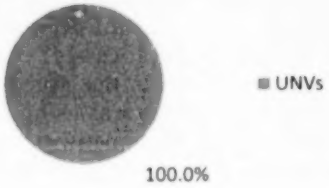
43. The UNFPA India office explained to the Inspectors that, in 2009, there had been a push from headquarters and auditors to eliminate the bad practice of having non-staff perform staff-type work for long periods. UNFPA consequently undertook a reorganization exercise for the India country office, whereby all non-staff who performed core functions were given fixed-term contracts. There were around 20 national project personnel, the majority of whom were converted to national staff (fixed-term). Managers indicated that the idea was to ensure that all technical personnel should have a sense of belonging to UNFPA and would act and work for the UNFPA mandate under the same conditions and in the same spirit.

UNHCR

Staff and non-staff



Types of non-staff contracts



Source: JIU questionnaire.

44. UNHCR had about 25 per cent non-staff, all UNVs (12), who worked with refugees on refugee status determination. They performed some core functions. In general, for every one international staff there were three national staff. Outsourced services were mainly for security, maintenance, cleaning, photocopying and filing.

Meeting with non-governmental organizations

45. The Inspectors met with representatives of three NGOs for comparison of their use of non-staff personnel. It should be noted that NGOs are subject to local labour laws. They mainly used normal employment contracts with full benefits, including retirement pension and medical insurance. For local staff, they used the local pension scheme and medical insurance. For internationals, they used international pension schemes and medical insurance. However, they mostly used national staff. The use of non-staff was exceptional and restricted to very short periods of time. NGOs provided tax assistance to both employees and short-term employees, either by withholding and paying their taxes or by helping to complete tax returns.

46. According to the NGO managers, the salaries paid at United Nations system organizations had been much higher in the past, but the salaries paid by NGOs today were at the same level or higher after taking into account taxation considerations. This was reconfirmed by managers of the United Nations system organizations. Another difference observed was that NGOs provided a structured salary broken down into

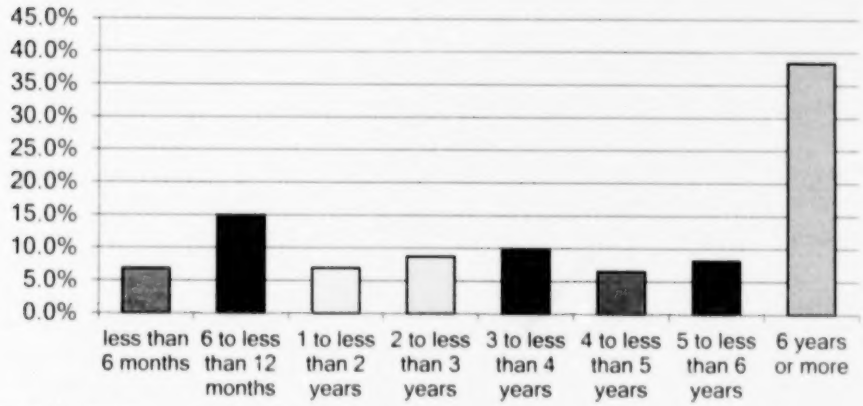
different allowances, such as housing, education and health allowances. This allowed employees to reduce their tax base and pay lower taxes than United Nations non-staff, given that United Nations salaries were not structured but paid as an all-inclusive lump sum, hence the entire salary is taxable.

Main findings

47. The Inspectors found that, like in other countries visited, non-staff personnel were used for extended periods with successive short-term contracts for a variety of tasks, including core functions. On occasion, non-staff represented organizations in government offices, negotiated projects and performed resource mobilization. In recent years, there had been efforts in some organizations to reduce non-staff personnel, for example, by converting their contracts to fixed-term staff contracts (at UNFPA, UNDP and UNICEF).

48. The non-staff survey results showed that 75 per cent of respondents believed that their work was of the same or a similar nature to the work of regular staff. A total of 94.5 per cent of respondents indicated that their work was project-related, while 63 per cent of respondents stated they worked regular hours and had been assigned a desk, phone and/or e-mail account by their respective organizations. Furthermore, 63 per cent of respondents had worked in their organizations for more than three years under non-staff contracts.

Number of work years of non-staff in the United Nations system organizations (India)



Source: JIU survey.

49. In total, 28 per cent of respondents worked in administrative areas, including finance and human resources, and about 70 per cent indicated "other areas", namely, programme/project management and administration, health-related areas, such as field monitoring, and technical assistance.

50. The results of the survey indicated that 49 per cent of respondents had been given managerial responsibilities frequently and 23 per cent sometimes. In UNDP and UNICEF, the Inspectors were informed that recently there had been occasions when service contract holders going on mission received a significantly lower daily subsistence allowance than that paid to regular staff. These practices are not fair and create low morale among non-staff personnel.

Other survey findings

51. The participation of WHO non-staff was exceptional, with 841 respondents to the survey (60 per cent of the total). The most represented type of contract was the WHO special service agreement (670 respondents, 50 per cent of the total), followed by the category "other" (27.9 per cent), where most respondents indicated they worked for a service contractor company (for WHO) under professional service agreement contracts, followed by UNDP service contracts (4 per cent), and WHO service contracts (3.5 per cent) and agreement for performance of work (3 per cent). Some other survey findings include:

- 88 per cent of respondents were male
- 57 per cent of respondents were aged 30 to 39
- 38 per cent of respondents believed that their contractual conditions did not comply with local labour law
- 37 per cent were dissatisfied with the entitlements associated with their contracts
- 53 per cent indicated that the work performed in practice was the same as described in their contracts, and 43 per cent indicated that it was sometimes different
- 68 per cent of respondents stated they had received training from their organizations
- 89 per cent of respondents had medical insurance provided by their respective organizations
- About 4 per cent of respondents indicated they had a pension scheme provided by the respective organization, while about 92 per cent declared they did not
- 71 per cent of respondents declared they would accept a reduction in their salaries in exchange for pension/health insurance schemes
- 33 per cent of respondents considered their contracts to be unfair, while 60 per cent considered them fair
- 92 per cent of respondents indicated that they felt committed to their respective organizations
- 76 per cent of respondents indicated that their work performance assessments were shared with them
- 85 per cent of respondents declared that they had been informed of the code of conduct and/or ethical standards of their respective organizations
- 49 per cent of respondents indicated that they felt they could communicate any complaint in the work place
- 69 per cent of respondents stated they were aware of the formal and/or informal mechanisms to channel complaints within their respective organizations.

Annex II: Staff and non-staff, as at the end of March 2012 and the end of March 2013

Source: Corporate questionnaires received from organizations.

Organization	2012							2013						
	Staff			Non-staff			% non-staff vs. total	Staff			Non-staff			% non-staff vs. total
	HQ	Field	Total	HQ	Field	Total		HQ	Field	Total	HQ	Field	Total	
FAO	2181	1664	3845	1380	3284	4664	54.81	2054	1629	3683	1076	4877	5953	61.78
IAEA	2295	68	2363	275	127	402	14.54	2349	75	2424	246	108	354	12.74
ICAO	527	247	774	139	45	184	19.21	534	246	780	135	52	187	19.34
ILO	1191	1792	2983	N/A	N/A	312	9.47	1172	1679	2851	N/A	N/A	403	12.38
IMO	291	18	309	108	0	108	25.90	280	13	293	127	0	127	30.24
ITU	797	52	849	49	28	77	8.32	782	54	836	44	51	95	10.20
UN Secretariat(1)	20149	22738	42887	N/A	N/A	17000	28.3	20116	21151	41273	N/A	N/A	17000	29.17
UNAIDS	296	556	852	109	75	184	17.76	246	578	824	42	140	182	18.09
UNDP(2)	1131	7056	8187	1003	28239	29242	78.1	1170	6842	8012	N/A	28952	28952	78.32
UNESCO	1327	993	2320	163	903	1066	31.48	1251	1010	2261	339	1238	1577	41.09
UNFPA	352	1945	2297	31	1508	1539	40.12	387	1964	2351	38	1463	1501	38.97
UNHCR	699	7193	7892	63	2113	2176	21.61	687	7495	8182	75	1677	1752	17.86
UNICEF	1465	9777	11242	N/A	N/A	N/A	N/A	1483	9715	11198	745	6033	6778	37.71
UNIDO	552	194	746	163	1645	1808	70.79	531	182	713	200	1131	1331	65.12
UNOPS	115	744	859	63	2942	3005	77.77	111	752	863	98	2544	2642	75.5
UN-WOMEN	211	258	469	130	722	852	64.50	257	328	585	82	677	759	56.47
UNWTO	97	0	97	42	0	42	30.22	97	0	97	38	0	38	28.15
WFP	1036	4065	5101	758	8456	9214	64.37	997	4085	5082	838	8440	9278	64.61
WIPO	1243	10	1253	12	2	14	1.1	1242	13	1255	N/A	N/A	N/A	N/A
WHO	2310	5507	7817	1775	7404	9179	54	2063	5275	7338	1668	6594	8262	52.96
WMO	278	18	296	12	29	41	12.16	284	20	304	7	21	28	8.43

(1) United Nations Secretariat figures for non-staff estimated at 17,000 for each year.

(2) UNDP figures for 2012 corporate questionnaire, table 3, question 6: total number of individuals who have worked for UNDP within each year; individual contractors: 1,003 at headquarters plus 20,694 in field locations; service contract holders: figure not available in the response to question 6. Thus, the figure for service contracts for 2012 (7,545) is taken from question 5, table 2: Numbers of staff and non-staff as at 31 March by year. The UNDP figure for 2013 is an estimate based on 8,952 service contract holders reported (corporate questionnaire, question 5, table 2) plus an estimated 20,000 additional individuals (individual contractors at headquarters and in the field)

Annex II: Staff and non-staff, as at the end of March 2012 and the end of March 2013 (continued)

1. The data provided by organizations and included in the above table shows, as at the end March 2012, a total number of non-staff individuals of 34,867, excluding the United Nations Secretariat, UNDP and UNICEF, which did not provide the specific data requested, and 41,247 individuals one year later (this time excluding only the United Nations Secretariat and UNDP); while staff figures show a total of 103,438 as at the end March 2012 and 101,205 individuals one year later.

2. In an effort to estimate the overall share of non-staff personnel in the total workforce and, in particular, United Nations and UNDP non-staff figures, additional research was undertaken, indicating that the United Nations Secretariat hired 34,065[32] individuals on non-staff contracts (namely, consultants and individual contractors) during the biennium 2010-2011 and 25,187 in the previous biennium.[33] While UNDP hired 26,080 non-staff individuals in 2010 and 25,638 in 2011, figures for 2012 show 21,697 individual contract holders; and data for service contract holders is not available.[34] Taking the above into consideration, the Inspectors roughly estimate that an additional annual number in the range of at least 35,000 to 40,000 individuals (that is, 17,000 for the Secretariat in 2012 and 2013 and 20,000 for UNDP in 2013) should be added to the total figures indicated above. This would represent a total non-staff workforce in the range of 81,000 to 87,000 individuals, or around 45 per cent of the total workforce for the biennium 2012-2013.

[32] See the report of the Secretary-General on the composition of the Secretariat: gratis personnel, retired staff and consultants and individual contractors (A/67/329/Add.1), tables 18 and 19.

[33] See the report of the Secretary-General on the composition of the Secretariat: gratis personnel, retirees and consultants (A/65/350/Add.1), tables 18 and 19.

[34] UNDP response to JIU questionnaire; question 6, table 3.

Annex III: Non-staff contractual modalities: entitlements by contract type

Contract type	Annual leave	Sick leave certified/uncertified	Pension	Health insurance Individual/Dependents	Maternity - Paternity leave	Hardship leave/ R&R	Remarks
FAO							
Local consultant	No	No	No	Yes / No	No	No	This contract type is only reported in Thailand
International consultant	No	No	No	Yes / No	No	Yes – 7 days every 8 weeks (Haiti) Yes (Thailand)	See footnote [35]
Personal services agreement (PSA)	Yes – 2.5 days per month (Haiti) Yes – average 15 days per year (Viet Nam) No (Thailand) Yes – same as staff, namely, 2.5 days per month (India)	No (Haiti) 3 days (Viet Nam) No (Thailand) Yes (India)	No	Yes / No (Haiti, Viet Nam, Thailand, India)	No	No (Haiti, Viet Nam) Yes (Thailand)	See footnote 35
National project personnel (NPP)	Same entitlement as national civil servants	Consultants (nationals and internationals), PSA holders and NPP and in general all non-staff covered by a medical insurance are entitled to certified sick leave. Non-staff are covered under FAO compensation plan (MS 342) for service-incurred illness, accident or death.	No	Yes / No	Haiti – 6 weeks Viet Nam – 4 months Yes, Thailand (same as national civil servants)	No	See footnote 35
IAEA							
Special service agreement	2.5 days per month	No, absences due to illness will be deducted from leave	No	No	No	No	See footnote 35
ILO							
External collaborator	No	No	No	No	No	No	See footnote 35

[35] Malicious acts insurance policy (MAIP). All organizations include MAIP coverage, except ILO (external collaborator).

IMO							
International consultant	No	No	No	No	No	N/A	IMO provides limited insurance coverage to consultants only in the event of service-incurred death, injury or illness (maximum $185,000)
Local consultant	No	No	No	No	No	N/A	
Temporary employees (interpreters, etc.)	Yes – 2.5 days per month (employees on monthly contracts)	Yes – 2 days sick leave: 1.5 days of certified and 0.5 days of uncertified sick leave per month	No	No	No	N/A	IMO provides limited compensation to temporary employees only in the event of service-incurred death, injury or illness (interpreters: $600,000, temps: $114,000)
ITU							
Special service agreement (used for international and local consultants)	No	No	No	Limited coverage / No	No	No	Service-incurred death, injury, disability or illness compensation. Max. CHF 720,000 coverage only for death and injury. International consultants receive DSA, while local consultants are paid in local currency
UN Secretariat							
Consultancy contract (internationally/locally recruited)	No	No	No	No	No	No	See footnote[36]
Individual contractor	No	No	No	No	No	No	See footnote 36
UN Volunteers (UNV)	Yes – 2.5 days per month (per completed month of service) (Democratic Republic of the Congo)	Yes – 3 days for assignments of 3 months up to less than 12 months, 7 days for 12 months assignments (Democratic Republic of the Congo)	No – UNV is voluntary in nature therefore no provision for pension (Democratic Republic of the Congo)	Yes for individual - full medical insurance coverage and life and disability insurance. For family members authorized by UNV HQ, coverage limited to medical insurance (Democratic Republic of the Congo)	Yes – female UNVs receive 16 weeks of maternity leave, no paternity leave (Democratic Republic of the Congo)	R&R travel – 5 days of R&R plus 1 or 2 travel days for every 6 weeks in hardship duty stations and every 8 weeks in non-family duty stations (Democratic Republic of the Congo)	Insurance for service-incurred death, injury or illness, as determined in conditions of service for international UNV

[36] Insurance for service-incurred death, injury or illness, similar to Staff. Max. $50,000.

UNAIDS							
Agreement for performance of work	No	No	No	No	No	No	No service-incurred death, injury
Consultancy contract	No	No	No	Yes / No	No	No	Service-incurred death, injury, disability or illness will be covered during the contract period provided a previous medical clearance
UNDP							
Individual contractor	No	No	No	No	No	No	See footnote[37]
Service contractor	Yes, in accordance with the general local practice 2.5 days/month (Haiti) 18 days/year (Viet Nam) 2.5 days/month (Thailand) 2.5days/month (India)	Sick leave in accordance with the general local practice. After 3 uncertified sick leave days in any 6 month period, medical certification required. 1 day/month, if more a medical certificate is required (Haiti) Local practice (Viet Nam) Max. 30 days/year (Thailand) 12 days/year (India)	Haiti – No, but a new scheme to include pension will be launched soon Viet Nam – 8.33 per cent of monthly remuneration Thailand – 4 per cent India – INR 416.67 per month = approx. $90 per year Democratic Republic of the Congo – Yes, included in salary approx. 7.5 per cent	**For individual** Yes (Haiti) Yes – Van Breda (Viet Nam) Yes, Van Breda (Thailand) $40.97 per month (India) Yes (Democratic Republic of the Congo) **For dependents** Haiti – No, but a new scheme to include dependents will be launched soon No (Viet Nam) No (Thailand) N/A (India) Democratic Republic of the Congo – No, but according to new instruction medical insurance for dependents can be paid for	Yes – in accordance with the general local practice, minimum 16 weeks for maternity and 4 weeks for paternity	No R&R. Yes – hazard allowance when serving in hazardous conditions as classified by ICSC Hazard allowance (Thailand)	See footnote[38]

[37] Service-incurred death, injury, disability or illness compensation: max. $280,000 coverage for individual contractors hired as international contractors and $160,000 for local contractors.

[38] The service contract is a decentralized contracting instrument for use only by UNDP country offices and regional centres outside of Headquarters. The SC is not for use in HQ duty stations and liaison offices. Service-incurred death, injury, disability or illness compensation: $25.000 for death by natural causes or by a non-service incurred related accident; $80.000 in the event of death caused by a service incurred related accident.

UN Volunteers (UNV)	2.5 days per month (Viet Nam, Democratic Republic of the Congo, India)	7 days per year (Viet Nam, Democratic Republic of the Congo, India)	N/A	Yes for individuals (Viet Nam, Democratic Republic of the Congo, India – for India see rates below) International UNVs - $131.72 per month; National UNVs - $35.11 per month Yes for dependents (Viet Nam, India – for India see rates below: International UNVs - $72.75 per month; National UNVs – $30.36 per month) N/A for dependents (Democratic Republic of the Congo)	Maternity leave – 16 weeks Paternity leave – nil (Viet Nam, Democratic Republic of the Congo, India)	N/A. However, United Nations agencies are encouraged to apply same rules on hardship leave /R&R as applicable to staff members (Democratic Republic of the Congo, India)	
UNESCO							
Special service agreement (field only)	Yes (Viet Nam: yes for contracts 6 months)	Yes (1 day per month for contracts of over / extended beyond 6 months) Yes	No	No	No	No	See footnote[39]
Service contract (field only)	Yes (2.5 days per month), Yes	Yes (1 day per month for contracts of over / extended beyond 6 months) Yes	Yes (included in the salary. The service contract is responsible for payments to the national insurance scheme)	Yes (included in the salary. The service contract is responsible for payments to the national insurance scheme: the service contract has to provide the proof of registration in the insurance/pension scheme) / No	Maternity only	No	See footnote 39
Individual consultant (internationally or locally recruited)	No	No	No	No	No	No	See footnote 39
Supernumerary (HQ only)	No	No	N/A	Registered in French social security, where eligible / No	No	No	See footnote 39
UNFPA							
Consultancy contract (internationally recruited in field duty stations. UNFPA policy applies)	No	No	No	No	No	No	See footnote 39
Consultancy contract – local at field duty stations (UNDP policy on special service agreements applies)	Usually no – for special service agreements of at least 6 months up to 1 day per month if specified in contract	No	No	No	No	War risk insurance if on travel status to hazardous duty station	See footnote 39

[39] Service-incurred death, injury, disability or illness compensation.

Service contract (UNDP policy on service contracts applies)	Yes (1.5 days per month)	Yes, according to local practice (minimum of 1 day per month)	Yes, according to local practice	Yes, according to local practice	Yes, according to local practice, minimum 16 weeks for maternity	No	See footnote 39
Consultancy contract local and international at HQ (UNOPS policy for individual contractor agreement applies)	No	No	No	No	No	No	See footnote 39
UNHCR							
UNOPS individual contractor (locally recruited)	2.5 days per month for contract of 3 months or more (Thailand)	Yes – 2 days per month for contract of 3 months or more (Thailand)	No	Individual: yes, up to $40,000 per year Dependents: no (Thailand)	16 weeks maternity and 4 weeks paternity (Thailand)	Yes – 2 days per month hardship leave, no travel for individual contractor agreement contract holders (Thailand)	Medical evacuation plan is included. Data as reported by UNHCR Thailand
UNOPS individual contractor (internationally recruited)	2.5 days per month for contract of 3 months or more (Thailand) N/A (India)	Yes – Thailand: 2 days per month for contract of 3 months or more	No	No	No	Yes – 2 days per month hardship leave, no travel for individual contractor agreement contract holders (Thailand)	Transportation and visa cost covered by UNHCR when place of recruitment is outside Thailand. Data as reported by UNHCR Thailand
Individual consultant (local/international)	No	No	No	No	No	No / Yes for international consultant if covered under contract	See footnote 39
Individual contractor	No	No	No	No	No	No, applicable only when on mission	See footnote 39
UN Volunteers (UNV)	Yes – 2.5 days/month (Thailand, Ethiopia, India)	Yes – depends on contract length, 7 days uncertified sick leave within a 12-month period. (Thailand, Ethiopia, India)	No – UNVs receive a resettlement allowance at the time of separation (Thailand) Yes (Ethiopia) No (India)	**Individual** Thailand – Yes under UNV/UNDP (Van Breda) India – Yes **Dependents** Yes (Thailand, India, Ethiopia)	Yes – 16 weeks maternity leave No paternity leave (Thailand, India, Ethiopia)	Thailand – Yes to IUNV (USD 750 plus ticket to recognized R&R location) India – No Ethiopia – Yes	Insurance for service-incurred death, injury or illness under UNV/UNDP (Van Breda)
Interpreters	No	No	No	No	No	No	See footnote 39
UNICEF							
Individual contractor	No	No	No	No	No	Viet Nam – Yes, if applicable as per policy India – No	See footnote[40]
Consultancy contract	No	No	No	No	No	Viet Nam – Yes for international, if applicable as per policy India – No	See footnote 40

[40] Insurance for service-incurred death, injury or illness. Included in evacuation plan if international.

UN Volunteers (UNV) (administered by UNDP)	Viet Nam – Yes India – 2.5 working days per completed month of service which they will be required to take during their term of assignment	Viet Nam – Yes India – Yes 7 days/year uncertified, 6 weeks/year certified	Viet Nam – No India – No	Viet Nam – Yes for individual and yes for dependents if stay is for more than 6 months India – Yes for individual, and yes for recognized primary dependents for limited duration while with the UNV in the duty station	Maternity leave – 16 weeks (Viet Nam, India)	Yes – Viet Nam if applicable per policy Yes – India if UNICEF has approved R&R travel for the duty station where the UNV specialist is serving, he/she will be entitled to it	See footnote 40
UNIDO							
Individual service agreement – international consultant	Yes – 2.5 days for contracts of 6 months or longer	No – up to 2 days/month certified for contracts of 6 months or longer	No	No	No	Rest and recuperation and hardship allowance, relocation/ evacuation	Service-incurred death, injury, disability or illness compensation Appendix D
Individual service agreement – national consultant	Yes – 2.5 days for contracts of 6 months or longer	No – up to 2 days/month certified for contracts of 6 months or longer	No	Yes / No	Yes – Maternity: max. 16 weeks. Paternity: max. 4 weeks for contracts of 12 months or longer	Relocation/ evacuation	See footnote[41]
Individual service agreement – local support personnel	Yes – 2.5 days for contracts of 6 months or longer	No – up to 2 days/month certified for contracts of 6 months or longer	No	Yes / No	Yes – Maternity: max. 16 weeks. Paternity: max. 4 weeks for contracts of 12 months or longer	Relocation/ evacuation	See footnote 41
Individual service agreement – ad hoc worker	Yes – 2.5 days for contracts of 6 months or longer	No – up to 2 days/month certified for contracts of 6 months or longer	Yes, through UNIDO in the Austrian social security scheme- health, accident, unemployment and pension insurance / No		Yes – Maternity: max. 16 weeks. Paternity: max. 4 weeks for contracts of 12 months or longer	Relocation/ evacuation	See footnote 41
UNOPS							
Individual contractor agreement National	2.5 days/month for contracts of 3 months or longer - Haiti, Democratic Republic of the Congo, Ethiopia	2 days/month certified sick leave for contracts 3 months or longer Haiti – Yes, uncertified 6 days/year Democratic Republic of the Congo, Ethiopia	Yes – 22.5 per cent (provident fund) (Haiti, Democratic Republic of the Congo, Ethiopia)	Yes – individual, for contracts of 3 months or longer / provided for dependents, but not funded, as a service at reduced premiums - Haiti, Democratic Republic of the Congo, Ethiopia	Yes – 16 weeks of maternity leave and 4 weeks of paternity leave for contracts 6 months or longer. - Haiti, Democratic Republic of the Congo, Ethiopia	No leave – Danger allowance only when required to work and actually do so, and when in hazardous conditions as classified by ICSC No – Haiti, Democratic Republic of the Congo Yes – Ethiopia, but no R&R	See footnote[42]

[41] Locally recruited individual service agreement holders on regular individual service agreements may be entitled to health insurance scheme. Insurance coverage: (a) for medical expenses, excluding dependents, maximum of $10,000 per year; (b) in the event of death, a one-time lump sum compensation a maximum of $25,000, and (c) in the event of permanent disability, a one-time lump sum compensation a maximum of $40,000. It is not applicable to the individual service agreement ad hoc worker category.

[42] Service-incurred death, injury, disability or illness compensation: 36 times monthly fee: individual contractor agreement–national: subject to max of $500,000 and a min of $25,000; individual contractor agreement–international: subject to max of $600,000. Local individual contractors (daily basis contract: subject to max of $25,000; lump sum contract: subject to max of $100,000).

Individual contractor agreement International	2.5 days/month for contracts of 3 months or longer - Haiti, Democratic Republic of the Congo	2 days/month certified sick leave for contracts 3 months or longer - Haiti, 6 days/year - Democratic Republic of the Congo	No (Haiti, Democratic Republic of the Congo)	Haiti – No Democratic Republic of the Congo – Yes for individual, no for dependents	Yes – maternity and paternity (Haiti, Democratic Republic of the Congo)	Yes – 2 days per month for contracts of 6 months or more in designated hardship duty stations. - Haiti (2 days/ month) - Democratic Republic of the Congo	See footnote 42
Local individual contractors (retainer contract and those paid on a daily basis or lump sum)	No	No	No	No	No	No	See footnote 42
UN-WOMEN							
International special service agreements/individual contracts (SSA/IC)	No – Although it is practice to grant one day of leave per month to full time SSA/IC holders who have worked six months or more.	No	No	No	No	N/A	
Local SSA/IC	No – Although it is practice to grant one day of leave per to full time SSA/IC holders who have worked six months or more N/A in India	No	No	No	No	N/A	
Service contracts	Yes – local practice up to max. 2.5 days/month - India	Local practice (up to max. 1.5 days/month certified) India – 7 days	Follows local practice India – INR 5000/per year	Follows local practice India – for individual, Van Breda $49.45 per month / N/A for dependents	Yes (maternity 16 weeks, paternity 4 ceks)	No R&R Yes – hazard allowance when serving in hazardous conditions as classified by ICSC N/A in India	See footnote[41]
UNWTO							
Consultancy contract	N/A	N/A	N/A	Only at the request of the consultant / N/A dependents	N/A	N/A	See footnote 43

[41] Service-incurred death, injury, disability or illness compensation through Van Breda coverage.

External collaborator	N/A	N/A	N/A	N/A	N/A	N/A	
In-house collaborator	Only if contract is for longer than 6 months	No for uncertified, yes for certified sick leave	N/A	Yes individual (Van Breda)/ N/A dependents	N/A	N/A	See footnote 43
WFP							
Consultancy contract – international (in India, contract raised by regional bureau)	No (Haiti, Ethiopia, India)	No[44] (Haiti, Ethiopia, India)	No (Haiti, Ethiopia, India)	Yes Max coverage $50,000/ year Haiti, Ethiopia, India – yes for individual, no for dependents	No (Haiti, Ethiopia, India)	Haiti, Ethiopia – yes R&R India – no	See footnote[45]
Consultancy contract – local	Haiti – No Ethiopia – Yes, 1 day/month for contracts lasting 6 months or longer India – Yes for SSA lasting six months or longer Democratic Republic of the Congo – Yes for SSA lasting 6 months or longer, 1 day/month	No (Haiti, Ethiopia, India)	No (Haiti, Ethiopia, India)	Yes – Max Coverage $40,000/ year Haiti – Yes for individual and dependents Ethiopia – Yes for individual and yes for dependents upon payment of a premium India – Yes for individual and on a cost-shared basis for dependents	No (Haiti, Ethiopia, India) No (Ethiopia, India)	Haiti – No Ethiopia – Yes, danger pay only India – N/A	Death and disability coverage included as part of health insurance
WFP special service agreement (SSA) (field)	Haiti – No Ethiopia – Yes, 1 day/month for contracts lasting 6 months or longer India – Yes for SSA lasting six months or longer Democratic Republic of the Congo – Yes for SSA lasting 6 months or longer, 1 day/month	No (Haiti, Ethiopia, India)	No (Haiti, Ethiopia, India)	Yes – Maximum coverage $40,000/ year Haiti – Yes for individual and dependents Ethiopia – Yes for individual and yes for dependents upon payment of a premium India – Yes for individual and on a cost-shared basis for dependents	No (Haiti, Ethiopia, India)	Haiti – No Ethiopia – Yes, danger pay only India – N/A	Death and disability coverage included as part of health insurance
FAO special service agreement (SSA); (headquarters and liaison offices)	No	No	No	Yes for individual only, Max coverage $50,000/ year	No	N/A	Death and disability coverage included as part of health insurance

[44] Compulsory medical plan includes a financial compensation for temporary disablement due to illness or accident causing an unpaid absence exceeding 4 days.

[45] Service-incurred death, injury, disability or illness compensation: 2/3 of the annual pensionable remuneration at the P-4/V level plus any applicable compensation under the health/medical insurance plan.

Service contract	Yes – local practice minimum 1.5 days/ month (Yes, Ethiopia; No, Haiti),Yes 2.5 days/month in India	Yes – uncertified sick leave days in 6 month period, after this medical certification is required for any medical absence (also Ethiopia and Haiti) Yes, one uncertified leave/month in India	Yes (Ethiopia, 8.33 per cent included in salary) Yes (Haiti 6%+6% national scheme),Yes A lump sum amount per annum (Rs. 5000/- per annum) in India, Yes, 6 per cent included in salary (Democratic Republic of the Congo)	Yes. Max coverage $40,000/ year, Yes fully contributed by WFP (Henner) in India / Yes (at extra charge borne by the service contract holder and WFP),Yes for individual, yes for dependents on a cost-shared basis (Ethiopia); Yes (Haiti), Yes on a cost-share basis in India; Yes for individual and dependents (Democratic Republic of the Congo)	Yes, local practice. Minimum maternity: 16 weeks, and paternity 4 weeks. Also in Ethiopia and India (8 weeks paternity in India), No (Haiti)	Yes, danger pay (Ethiopia) No (Haiti), N/A in India	Group insurance policy, in the event of death, injury or illness attributable to the performance of official WFP duties
WFP UNV Administered under UNV regulatory framework	Yes (Ethiopia)	Yes (Ethiopia)	No (Ethiopia)	Yes, for individual, Max. Coverage $50,000/ year (Ethiopia) No for dependents (Ethiopia)	Yes (Ethiopia)	Yes (Ethiopia)	See footnote[46]
WHO							
Consultants	No	No	No	Voluntary complementary coverage may be purchased from the insurance company / No	No	No	See footnote[47]
Special service agreements	Follows local practice (same as those applicable to government civil servants associated with the project or other activity), Yes (Viet Nam, India)	Follows local practice (Same as those applicable to government civil servants associated with the project or other activity), Yes (Viet Nam, India)	No	Subject to conditions set out in the relevant insurance policy, special service agreements are covered for medical expenses, death and disability following an accident or an emergency illness. Yes -Viet Nam / Yes, Yes for individuals, no for dependents (India)	Follows local practice (Same as those applicable to government civil servants associated with the project or other activity), Yes (Viet Nam, India)	No	See footnote[48]
Service Contractors (Viet Nam)	Yes	Yes	Yes	Yes / No	Yes	No	Contract only found in Viet Nam questionnaire
Agreement for performance of work	No	No	No	No	No	No	See footnote[49]

[46] Service-incurred death, injury, disability or illness compensation: two thirds of the annual pensionable remuneration at the P-4/V level plus any applicable compensation under the health/medical insurance plan.

[47] Service-incurred death, injury, disability or illness compensation subject to limits and conditions set out in the relevant insurance policy, consultants are covered, at the expense of WHO, for medical expenses, death and disability following an accident or an emergency illness.

[48] Special service agreement contract between WHO and a national or resident of a host country for services for either long or short assignments on a specific national project or activity.

[49] The general conditions for agreement for performance of work include: WHO shall not be responsible for any loss, accident, damages or injury suffered by any person whatsoever arising in or out of the execution of work under an agreement for performance of work, including travel. WHO may in certain provide insurance coverage for travel in WHO vehicles.

WIPO							
Individual contractual services	No	No	No	No	No	No	
WMO							
Special service agreement – international and local consultants	No	No	No	No	No	No	Service-incurred death, injury, disability compensation: death $120,000; disability $240,000

Annex IV: Duration, extension and required breaks by contractual arrangement

Organization	Type of contract	Maximum duration of contract	Mandatory breaks	Maximum period of extension
FAO	Consultant	11 months in a 12-month period	One month break after 11 months' work if paid for 240 days or more, if days worked are fewer than 240, the break is not required	After 44 months in a 48-month period or 957 paid days or more, a six-month break is required. If the days worked are fewer than 957, the break is not required
	Subscriber to a personal services agreement	11 months in 12-month period	Minimum 1 month	44 months in a 48-month period, after which a six-month break is required
	National project personnel	12 months	N/A	Can be renewed indefinitely on same project; but once project finishes must observe minimum six-month break before rehire on any non-staff contract
IAEA	Special service agreements	1 year	1 year break after 2 years of aggregate service	Can be renewed and extended for a maximum period of aggregate service (without an interruption of at least 12 months) of 2 years
IMO	Consultant	3 months	No	No maximum period is stipulated
	Service contract	24 months	No	N/A
	Temporary employees	3 months	No	Up to 24 months
ILO	External collaborator	N/A	N/A	N/A
ITC	Consultancy	12 months within the same calendar year.	No consultant can be hired for more than 24 months within any 36-month period. If exceeded the maximum time of service, mandatory 12-month break	Maximum 24 months in a 36 months period
	Individual contractor	6 months (in exceptional circumstances the service may be extended to 9 months maximum.)	Once an individual contractor has exceeded the maximum time of service, a mandatory break in service of 6 months is required	In exceptional circumstances, the service may be extended to 9 months in a 12 month period

Organization	Type of contract	Maximum duration of contract	Mandatory breaks	Maximum period of extension
ITU	Consultancy (special service agreements)	No legal limit of duration.	No legal mandatory break between successive contracts.	Can be renewed and/or extended, no legal limit of duration.
UN Secretariat	Consultancy	Cannot exceed overall limit of 24 months within a 36 month period.		Can be renewed and/or extended for a maximum 24 months in a 36-month period.
	Individual contractor	Maximum 6 months and additional 3 months are exceptional.		Can be renewed and/or extended for a maximum period of six or, in special circumstances, nine months worked in any period of 12 consecutive months.[50]
	UNVs	Up to 2 years (OCHA issues 1 year contracts).	No mandatory break if UNV is selected for a P position in a duty station different from the current one. Six months mandatory break if for the same duty station.	Maximum of 6 years accumulative/consecutive UNV contracts.
UNAIDS	Consultancy	Periods not exceeding a continuous duration of up to two years.	N/A	If the tasks being performed by a consultant are needed for more than a continuous period of two years within the same work plan and/or project, a new contract requires the agreement of the Director of the Human Resources Department.
	Individual contractor agreement for performance of work	Not defined.	N/A	No maximum period defined as all are based on a competitive process.
UNDP	Individual contract	N/A.	N/A	N/A
	Service contracts	Minimum 6 months. Maximum 12 months.	None	Can be renewed and/extended several times for any period
UNESCO	Supernumerary	1-180 days (6 months) in a calendar year - 240 days exceptionally for logistics and technical support.	Yes, once the duration limit has been reached. Break required until the next calendar year.	Can be extended as required up to maximum for calendar year. No total duration limit.
	SSA/service contract[51]	Up to 11 months.	1 month.	Can be extended as required up to 11 months maximum. No total duration limit.
	Service contract	Initially 6-12 months.	No.	Can be extended for 1-12 months as required. No total duration limit.

[50] Section 8.3 of ST/AI/1999/7.

[51] The supernumerary contract has been phased out; the special service agreement/service contract reform has been initiated as of 1 January 2015.

Organization	Type of contract	Maximum duration of contract	Mandatory breaks	Maximum period of extension
	Individual consultant	Up to 11 months.	1 month.	Can be extended as required up to 11 months maximum.
UNFPA	Consultancy (internationally recruited)	Not to exceed 11 months (or 239 working days).	Can be hired for one or successive contracts up to limit of 11 months, at which time there must be a break of four months.	Can be hired for one or successive contracts up to limit of 11 months, at which time there must be a break of four months before being contracted again.
	Service contract	1 year at a time	None.	Not intended to be indefinite. Must be reviewed each time prior to renewal.
	Local consultant at field duty stations	Not to exceed 11 consecutive months.	Can be hired for one or successive contracts up to limit of 11 months, at which time there must be a break of four months.	Can be hired for one or successive contracts up to limit of 11 months, at which time there must be a break of four months.
	International and local consultants at headquarters	Up to 12 months.	None.	Special review required if used for more than 4 years in a row.
UNHCR	Individual consultants	*11 work months, after which a 1 month break required *Maximum 24 months' work in 36 months after which a minimum 6-month break must follow.	1 month and 6 months.	Can be renewed and/or extended but mandatory breaks must be respected.
	Individual contractor	9 months (195 days) in 12-month period.	Three full months within 12-month period.	Extension under the same conditions: 9 months in 12-month period.
	United Nations Volunteers (UNV)	First contract must be minimum 3 months and a UNV may be on deployments for a maximum of 8 years (internationals) or 4 years (nationals).	No.	Extension up to 4 or 8 years.
	Interpreters	9 months (195 days) in 12-month period	Three full months within 12-month period.	Extension under the same conditions: 9 months in 12-month period.
UNICEF	Consultancy	11 months in any 12- month period, maximum 44 months in a 48-month period	One month break in a 12-month period and one year break in service after 48 months.	Can be extended/renewed within an 11-month period.
	Individual contractor	11 months in any 12-month period, maximum 44 months in a 48-month period	One month break in a 12-month period and one year break in service after 48 months.	Can be extended/renewed within an 11-month period.

Organization	Type of contract	Maximum duration of contract	Mandatory breaks	Maximum period of extension
UNIDO	Individual service agreement holder (all categories)	1 year.	N/A.	Up to 4 years.
UNOPS	Individual contractor agreement	1 year.	N/A.	4 years, can be extended on review of terms of reference after 4 years.
UN-Women	Special service agreement/service contract	36 months on the same terms of reference.	3 months after 36 months.	Can be renewed and/or extended for a maximum accumulated period of 36 months consecutively under the same terms of reference.
	Service contract	Usually, a service contract is issued for a minimum period of 6 months, renewable, but not more than 12 months at a time.		In the case of project personnel, the maximum period for the use of a service contract is normally for the duration of the project.
UNWTO	Consultancy	N/A.	N/A.	N/A.
	External collaborator	N/A.	N/A.	N/A.
	In-house collaborator	N/A.	N/A.	N/A.
WFP	Consultant	11 months.	1 month every 11 3 months every 44.	No limitation as long as total duration does not exceed 11 months.
	Service contracts	1 year, renewable.	None.	No limitation to number of contract renewals.
	WFP special services agreements (field)	11 months.	3 months.	No limitation as long as total duration does not exceed 11 months.
	FAO special services agreements (HQ & liaison offices)	11 months.	1 month every 11 3 months every 44.	No limitation as long as total duration does not exceed 11 months.
	UNVs	Administered under UNV regulatory framework.	Administered under UNV regulatory framework.	Administered under UNV regulatory framework.
	WFP volunteer assistants	None.	None.	No limitation.
WHO	Consultants	A consultant will normally be hired for periods not exceeding a continuous duration of up to two years for the same tasks as described in the terms of reference.	N/A.	If exceptionally a consultant contract is to be issued for the same tasks, within the same work plan and/or project beyond two years, the agreement of the Human Resources Director in consultation with Legal Office (Division of Administration and Finance in the regional offices) is required.
	Special services agreements	The duration of the agreement should not exceed 1 year.	N/A.	It may be renewed for further maximum periods of one year at a time.

Organization	Type of contract	Maximum duration of contract	Mandatory breaks	Maximum period of extension
	Agreement for performance of work	No specific duration. Agreements for performance of work above $25,000 subject to competitive bidding. Competitive bidding should normally be repeated every 3 years.	N/A.	Agreements for performance of work are normally issued on a year to year basis, with renewal being subject to satisfactory performance of the work.
WMO	Individual contractor	9 months per calendar year.	3 months.	N/A.

Annex V: Overview of actions to be taken by participating organizations on the recommendations of the Joint Inspection Unit JIU/REP/2014/8

		Intended impact	United Nations, its funds and programmes															Specialized agencies and IAEA													
			CEB	United Nations*	UNCTAD	ITC	UNDP	UNEP	UNFPA	UN-Habitat	UNHCR	UNICEF	UNODC	UNOPS	UNRWA	UN-Women	WFP	FAO	IAEA	ICAO	ILO	IMO	ITU	UNAIDS	UNESCO	UNIDO	UNWTO	UPU	WHO	WIPO	WMO
Report	For action		☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒
	For information		☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Recommendation 1		d		E			E		E		E	E		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 2		e		L			L		L		L	L		L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L
Recommendation 3		a		E			E		E		E	E		E		E	E	E						E	E			E		
Recommendation 4		e		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 5		e		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 6		b		E			E		E		E	E		E		E	E	E						E	E			E		
Recommendation 7		e		E			E		E		E	E		E		E	E	E						E	E			E		
Recommendation 8		e		E			E		E		E	E		E		E	E	E						E	E			E		
Recommendation 9		e		E			E		E		E	E		E		E	E	E						E	E			E		
Recommendation 10		a		E			E		E		E	E		E		E	E	E						E	E			E		
Recommendation 11		a		E			E		E		E	E		E		E	E	E						E	E			E		
Recommendation 12		a		E			E		E		E	E		E		E	E	E						E	E			E		
Recommendation 13		b		E																										

Legend: **L:** Recommendation for decision by legislative organ **E:** Recommendation for action by executive head

■ : Recommendation does not require action by this organization

Intended impact: **a:** enhanced transparency and accountability **b:** dissemination of good/best practices **c:** enhanced coordination and cooperation **d:** strengthened coherence and harmonization **e:** enhanced control and compliance **f:** enhanced effectiveness **g:** significant financial savings **h:** enhanced efficiency **i:** other.

* Covers all entities listed in ST/SGB/2002/11 other than UNCTAD, UNODC, UNEP, UN-Habitat, UNHCR, UNRWA.